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Title: **Case Corporation and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Locals 152, 180, 807, 1304, and 1306 (1998)**

K#: **3319**

Employer Name: **Case Corporation**

Location: **IA Burlington**

Union: **International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)**

Local: **152, 180, 807, 1304, 1306**

SIC: **3532**

NAICS: **333131**

Sector: **P**

Number of Workers: **3300**

Effective Date: **05/14/98**

Expiration Date: **05/02/04**

Number of Pages: **336**

Other Years Available: **Y**

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K# 3319

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**CASE**

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## Central Agreement

Burlington 807

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Between

**Case Corporation**

and

International Union,  
United Automobile,  
Aerospace and  
Agricultural Implement  
Workers of America

and

**Local Agreement**

**Local Union No. 807**  
**Burlington, Iowa**

May 14, 1998

Duration = 5/14/98 - 5/2/2004



K # 3319

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under

Master terms

BLS

FILE COPY

Duration = 5/14/98 - 5/2/2004

# EMPLOYEES HIRED ON OR AFTER 5/14/98

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# **CENTRAL AGREEMENT**

THIS AGREEMENT is made and entered into this 14th day of May 1998, by and between CASE CORPORATION (hereinafter referred to as the "Company"), or its successor, and INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AND ITS LOCAL UNIONS NOS. 180, 807, 1304, 1306 and 152 (hereinafter referred to as the "Union").

## **ARTICLE I RECOGNITION**

- A. (Local Supplement)
- B. The Company recognizes the Union as the exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, and other conditions of employment for the production and maintenance employees in the appropriate bargaining units described in the Local Supplemental Agreements (hereinafter referred to as "Local Agreement") between the Company and the Union.
- C. Where there is any conflict between a provision of the Local Agreement and a provision of the Central Agreement, the provision of the Central Agreement shall prevail.

## **ARTICLE II NO DISCRIMINATION**

The Company and the Union agree that neither will discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, religion, disability, or age in violation of the applicable laws intended to prevent such discrimination. Further the Company and the Union agree to comply with the pertinent provisions of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans Readjustment System Act of 1974, as amended, and the applicable executive orders governing discrimination in employment. Consistent with the terms of this



Agreement, the Company and the Union subscribe to the principles of affirmative action to encourage the employment of minority group applicants and assure that employees are treated during employment without regard to their race, creed, color, sex, national origin, religion, disability, or age.

Whenever a reference to male gender appears in this Agreement, it is understood that such language is nonrestrictive and is intended to include females.

The Company and the Union agree that they will comply with pertinent provisions of the Americans with Disabilities Act. Accordingly, when an issue arises under the ADA the parties agree to meet and cooperate in resolving the issue consistent with the ADA.

## **ARTICLE III UNION SECURITY**

### **Section 1. Union Shop.**

This Article shall be construed and complied with in conformity with and subject to all federal and state laws having a bearing on the subject matter hereof.

- A. An employee in the bargaining unit who is a member of the Union in good standing on the effective date of this Agreement shall commencing thirty (30) days thereafter maintain his membership in the Union for the duration of this Agreement as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution), and the current periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- B. An employee in the bargaining unit on the effective date of this Agreement who is not a member of the Union on the effective date of this Agreement shall be required to become a member within ten (10) days after the thirtieth (30th) day following their date of employment. Employees required to join the Union under this subsection shall maintain their membership as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution)

and the current periodic dues uniformly required as a condition of retaining membership in the Union.

- C. The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the initiation fee and the periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- D. "Member of the Union in good standing" as used in A and B above means any employee who is a member of the Union and is not more than thirty (30) days in arrears in the payment of periodic dues.
- E. Initiation fees for membership in the Union shall not exceed the amount prescribed by the Constitution of the International Union at the time the employee becomes a member.

## **Section 2. Payroll Deduction of Union Dues.**

- A. For the duration of this Agreement and subject to the applicable federal and state laws and the provisions of this Section 2, the Company agrees to deduct from the wages earned and pay over to the Local Union the Union membership dues of all employees within the bargaining unit who are members of the Union and who in writing authorize and request the Company to do so in accordance with the provisions of this section. "Union membership dues", as used herein, means the employees' periodic dues and initiation fees, if any. Should the Local Union later certify to the Company that the amount due as periodic Union dues has been changed, the Company shall deduct and remit in accordance with such certification. The Local Union will keep the Company informed of the proper amounts to be deducted in each case.
- B. Employees who desire to authorize and request the Company to make such deductions and payment of their Union membership dues shall use the form attached hereto as Exhibit No. 1 and entitled "Authorization for Check-off of Dues."
- C. The deduction of Union membership dues shall be deducted from the wages and/or SUB Benefits of each employee upon properly filling out and signing the Authorization for Check-Off of Dues Forms. Union dues will be deducted for the current month and promptly remitted to the financial secretary of the Local Union, UAW. At the time of such remittance to the

financial secretary, the Company shall submit the names of the employees from whose pay the deductions are made and the amounts deducted in each case. At the beginning of each month the Company will provide to the financial secretary of the Local Union a list of employees hired, terminated, and on leave of absence. The dues deduction shall be calculated on the wages earned during the first full pay period of the month and deducted from the earnings of the second pay period, which is paid the third week of the month. If the earnings are not sufficient to pay the dues deduction in said second pay period, the deduction will be made the next pay period in which the earnings are sufficient. Provisions covering Union dues deduction relating to Supplemental Unemployment Benefits are covered in the Supplemental Unemployment Benefits Plan. The Company will furnish at the end of each year a statement to the employees showing the total amount of Union dues deducted for the year.

(Local Supplement - Local 180)

- D. The Union shall indemnify and save the Company harmless against any form of liability that shall arise out of any action taken by the Company in reliance upon employee payroll deduction authorization forms submitted to the Company by the Union.

### **Section 3. Introduction of New Employees.**

To facilitate the administration of this Agreement, the supervisor will introduce an employee who is new in the department or shift, to the appropriate department steward. If the steward is present this will be done the first day the employee is in the department.

## **ARTICLE IV FUNCTIONS OF MANAGEMENT**

- A. It is agreed that the Company retains the sole right to manage the affairs of the business and to direct the working forces of the Company. Such functions of management include (but are not limited to) the right to:
- (1) Determine the methods, products, and schedules of production, locations of production, the type of

manufacturing equipment and the sequences of manufacturing processes.

- (2) Determine the basis for selection, retention and promotion of employees for occupations not within the bargaining unit established in this Agreement.
- (3) Maintain the discipline of employees including the right to make reasonable rules and regulations for the purpose of efficiency, safe practices and discipline. Such rules and regulations shall be published.
- (4) Direct generally the work of the employees including the right to hire, discharge, suspend or otherwise discipline employees for good cause, to promote, demote, or transfer employees, to assign them to shifts, to determine the volume of production and to lay them off because of lack of work or for any other legitimate reason.

All of the foregoing is subject to the terms and conditions of this Agreement.

## **ARTICLE V NO STRIKES OR LOCKOUTS**

### **Section 1. No Strikes.**

*During the life of this Agreement, the Union shall not cause or support, nor shall any employee or employees take part in, any action against the Company such as a strike, intentional slowdown of production, or any other interference with or stoppage of the Company's work. The Company shall not conduct a lockout during the term of this Agreement.*

### **Section 2. Special Exception to No-strike Clause.**

- A. The provisions of Section 1 shall not apply in the case of grievances involving a specific new or changed incentive standard, or a specific new or changed hourly classification, if the following procedures have been complied with:

- (1)(a) Grievances involving a specific new or changed incentive standard or a specific new or changed hourly classification have been processed according to the grievance procedure and have been appealed to arbitration within the time limits provided in this Agreement.
- (1)(b) Disputes referred to Step 3 as provided for in the CCICS Plan Process and Implementation Letter of Understanding which have been processed according to the grievance procedure and have been appealed to arbitration within the time limits provided in this Agreement.
- (2) The International Union has filed with the Company a notice signed by an officer to the effect that the Union is withdrawing the grievances from arbitration and declining to arbitrate the issue in dispute.
- (3) A notice has been posted in the plant or plants of the bargaining unit involved on the Union bulletin board for a period of five (5) working days describing the issue in dispute in the grievances, stating that the issue has been withdrawn from arbitration and advising the employees that a vote by secret ballot will be held to determine whether or not there shall be a strike of all employees in said bargaining unit over the issue involved in the dispute in said grievances.
- (4) The Local Union in a notice from the president of the Local Bargaining Unit has advised the Company in writing that the Local Union has advised its membership that the grievances have been withdrawn from arbitration and that the membership by a majority vote has authorized a strike.
- (5) The International Union has advised the Company by written notice that the International Union has authorized a strike of all employees in the bargaining unit.
- (8) The strike does not begin within ten (10) days following the giving of the last notices, that is, by the International or Local Union provided in (3), (4), and (5). During this ten (10) day period or any mutually agreed upon extension thereof, an earnest effort shall be made by both parties to settle the dispute. If no settlement has

been reached by the end of the ten (10) day period or the end of any mutually extended period, the Union shall, within fifteen (15) days, call a strike on the grievances or the grievances shall be deemed settled on the basis of the Company's answer.

- (7) In the event a strike permitted under this section does take place, it shall not take the form of a sit-down, stay-in, or limited strike, but shall be a general strike requiring all employees represented by the Union in the bargaining unit involved to leave the plant or plants involved. No grievances, disputes, or demands other than the particular issue of the grievances involved, shall be presented by the Union or discussed during such strike period.
- (8) The provisions of this Section shall be strictly followed or the provisions of Section 1 shall apply.

## **ARTICLE VI UNION REPRESENTATION**

### **Section 1. Bargaining Committee.**

(Local Supplement)

### **Section 2. Meetings with Bargaining Committee.**

- A. Regular meetings between the bargaining committee and the Company will be held on Thursday of each week (at a time agreed upon locally) provided the Union has submitted a written agenda to the Company by twelve (12) noon on the previous Tuesday. The agenda will consist of grievances which have been appealed to Step 3 of the grievance procedure and other matters of mutual interest which the Union wishes to discuss at these regular meetings.
- B. Special meetings for emergency matters may be arranged between the bargaining committee and the Company. Such arrangements shall be made in advance by presenting to the

Human Resources Department a request for such a meeting, stating the matter to be discussed at such emergency meetings.

- C. Not to exceed three (3) non-employee Union representatives may participate in such regular or special meetings.

### **Section 3. Stewards.**

(Local Supplement)

### **Section 4. Union Business During Working Hours.**

- A. Subject to the exception in Article X, Section 2, members of the bargaining committee and the stewards may leave their work to conduct Union business during working hours for the purposes of the handling of grievances or to attend a regular or special meeting between the Company and the Union, and then only after notifying their supervisor. In the absence of the supervisor from the department, the steward or member of the bargaining committee will notify the next level of supervision, or his designee.
- B. Stewards, or members of the bargaining committee, investigating grievances shall inform their supervisor as to what department they desire to visit and upon entering such department shall notify the supervisor of that department of their presence and purpose. Other Union representatives shall at no time leave their work to participate in Union business, except as provided in Article X, Section 2.

### **Section 5. List of Union and Company Representatives.**

- A. The Union will present in writing to the Human Resources Department the names of the bargaining committee, stewards, and alternate stewards by districts. The Union shall inform the Company promptly of any change in Union representation.
- B. The Company will present in writing to the Union a list of the appropriate management personnel who will discuss grievances in Steps 1 and 2, and will inform the Union promptly of any changes in this list.

## **ARTICLE VII GRIEVANCE PROCEDURE**

### **Section 1. Definition.**

The term "grievance" as used herein shall mean a complaint subject to interpretation or application to this Agreement. Grievances of a general nature, and involving matters which are outside the jurisdiction of the supervisor, will be known as policy grievances and may be presented in Step 3. Any settlement of a policy grievance shall be reduced to writing and signed by both parties.

### **Section 2. Grievance Steps.**

Prior to the formal procedure every reasonable effort will be made by the supervisor, steward, and employee to satisfactorily settle the grievance.

An employee desiring to have the Union take up his grievance may contact his steward and the grievance will then be processed in the following manner:

- STEP 1:** If the grievance is such that the supervisor cannot settle it satisfactorily at the time of presentation it shall be reduced to writing on forms provided for this purpose by the Company and presented to the supervisor. This written grievance shall be signed by the aggrieved employee (if he is available) and the steward of the department. The supervisor will give his answer to such grievance, in writing, by the end of two (2) working days from the receipt of the written grievance. In the event the supervisor does not give his answer by the end of the two (2) working days, as specified above, the grievance will automatically be passed on to the next step.
- STEP 2:** The supervisor's decision will be considered final, unless within five (5) working days of the supervisor's answer the grievance is presented by the bargaining



committeeman (who may be accompanied by the steward of the aggrieved), to the next level of supervision in the area in which the grievance originated, or his designated representative. Said Company representative, will submit his written answer to the grievance within five (5) working days after the date of presentation to him. In the event this Company representative does not submit his answer within five (5) working days, the grievance will automatically be passed on to the next step.

- STEP 3:** *The decision of the next higher level of supervision will be considered final unless within five (5) working days of this answer the grievance is presented in writing to the Human Resources Department with a request that it be placed on the agenda for the next regular meeting between the bargaining committee and the Company, at which meeting a further effort will be made to settle the grievance.*

*Prior to the third step meeting a joint investigation will be conducted upon the request of either party. The parties will exchange and update any relevant information concerning the grievance, and attempt to agree upon operative facts and clarify any issues for the third step meeting.*

*The Company will advise the Union of its disposition of the grievance within five (5) working days of said meeting.*

### **Section 3. Arbitration.**

- A. *The Company's answer provided in Step 3 shall be considered final unless within ten (10) working days after receipt of the Company's final answer the chairman of the local Union bargaining committee requests in writing that the grievance be submitted to an impartial arbitrator in accordance with paragraphs C and D below. Such a request shall be submitted to the Director of North American Labor Relations. At any mutually convenient time, the International Representative from the UAW - Case Department or his Representative, will meet at the plant location with the Vice President of Corporate Relations or his representative to discuss a possible settlement of the*

grievance(s). Those grievances settled will be answered in writing by the Company. Those grievances remaining unsettled will be placed on the arbitration docket at the meeting. The Company and the Union agree with the principle that grievances at each location will be scheduled for arbitration and arbitrated in the order filed (i.e. date written grievance filed). Extraordinary cases may be advanced out of this order by mutual agreement of the parties at this meeting.

- B. The arbitration docket agreed to in the meeting of this Section 3 A will be the basis for the Director, North American Labor Relations and the UAW - Case Department to select and schedule arbitrators and arbitration dates in accordance with paragraphs C and D below within the next ten (10) day period following the meeting. This procedure also applies to grievances involving individual discharge cases which may be processed under the provisions of ARTICLE VI, Section 8 - Special Discharge Arbitration. Those grievances not assigned to arbitration at this meeting will be considered settled on the basis of the Company's last answer.
- C. The parties have, upon the execution of this Agreement (in a separate Letter of Understanding), agreed upon a panel of seven (7) permanent arbitrators who shall have referred to them any grievances appealed to arbitration. The Union, at the time it gives its written request to arbitrate under B above, shall suggest the name of one (1) of the seven (7) permanent arbitrators, and if the Company does not oppose the suggestion within twenty-four (24) hours, then the named arbitrator shall be selected. If the Company does oppose, then it shall name two (2) of the seven (7) arbitrators who would be acceptable to it within the above noted time. Then the Union, within twenty-four (24) hours, shall pick one (1) arbitrator from the two (2) thus named; the arbitrator picked by the Union shall be considered selected.
- D. The arbitrator selected shall be immediately notified so that a hearing date may be set for the earliest possible time. Every effort must be made by the parties to act in an expeditious fashion to process an arbitration appeal. If the arbitrator selected is not available to schedule a prompt hearing date, then the selection procedure, under C above, shall be repeated immediately and a new arbitrator selected.
- E. The Company and the Union shall each bear one-half (1/2) the cost of the fees and expenses of the impartial arbitrator.

If a transcript is taken at the arbitration hearing, a copy of the transcript will be furnished the Union at no cost. The Company will pay for one (1) union witness (not including the grievant) directly related to the case for the time actually lost from work to testify at the hearing. The employee will be compensated at his applicable rate.

- F. The functions and jurisdiction of the impartial arbitrator shall be fixed and limited by this Agreement and he shall have no power to change, add to, or delete from its terms. He shall have jurisdiction only to determine issues involving the interpretation or application of this Agreement; and any matter coming before the impartial arbitrator which is not within his jurisdiction as herein defined shall be returned to the parties without decision or recommendation. In the event any disciplinary action (including reprimands) taken by the Company is made the subject of an arbitration proceeding, the arbitration proceeding, the arbitrator's authority shall, in addition to the limitation set forth herein, be limited to the determination of the question of whether the employee involved had been disciplined for proper cause, except that if the arbitrator finds that the penalty assessed by the Company is inappropriate for the offense or offenses committed, he may modify that penalty.
- G. If an insurance issue involving medical findings is not resolved in the insurance review under ARTICLE XIV, Section 4.B, then either party may request at the 3rd step meeting that the issue be submitted to a third physician for an opinion. The parties will mutually agree to a 3rd physician for a referral examination of fact, tests, and consultation as he may feel necessary. The 3rd physician will be provided with all relevant medical documentation from previous examining physicians. The function and jurisdiction of the 3rd physician shall be strictly limited to issuing his written opinion containing his medical findings which resolves the dispute between the 1st and 2nd physicians on that medical issue. The 3rd physician shall have no power or authority to issue any opinion which interprets this contract or insurance agreements or which relates to the application of such documents. For this limited purpose the 3rd physician shall be deemed to be an arbitrator and his medical findings shall be enforceable under the Uniform Arbitration Act or other relevant statute. Issues of contract interpretation or application arising out of or relating to the 3rd physician's medical findings shall be submitted to one of the arbitrators on

the permanent panel. The expenses of the 3rd physician, including tests, etc. will be shared equally by the parties.

- H. The decision of the arbitrator shall be final and binding on the Company, the Union, and the employee or employees involved.

#### **Section 4. Time Limits and Employee Attendance.**

The time limits for the Union representatives to appeal and the Company representatives to answer may be extended by agreement in writing. Either party may require the presence of the aggrieved employee at any step of the grievance procedure.

#### **Section 5. Company Pay for Union Time.**

- A. Union representatives will be paid for working time lost processing grievances as follows:

- (1) Working time lost by the stewards and bargaining committeemen investigating and discussing grievances in Steps 1 and 2 of the grievance procedure will be paid at their appropriate wage schedule hourly rate, but not to exceed four (4) hours per week for each steward or fourteen (14) hours per week for each bargaining committeeman. (Local Supplements - Local 180, Local 152 and Local 1304).

Local Union president and chairman of the bargaining committee up to forty (40) hours per week. (Local supplement - Local 152)

The steward, area committeeman, and the chairman of the bargaining committee or president of the Local, shall have the right to confer with each other in any step of the grievance procedure, within the bounds of these hours.

- (2) In Step 3 of the grievance procedure, the members of the bargaining committee shall be paid at their appropriate wage schedule hourly rate as applicable for working time lost by them in such meetings.
- (3) Union representatives called away from their work to attend a meeting with the Company which is scheduled by the Company, shall be paid at their appropriate wage

**schedule hourly rate, as applicable for working time lost by them in such meetings.**

- B. Safety Committee - Provide up to forty (40) hours per month of pay to the Chairman of the Local Union Safety Committee and up to eight (8) hours per month of pay to the other members of the Local Union Safety Committee for lost working time. If additional time is needed at an individual facility, the time shall be approved by appropriate representatives of the Union and the Company.**
- C. EEO Committee (two) - Provide up to two (2) hours quarterly for working time lost in EEO meetings.**  
**EEO Chairman - Provide pay for Company called meetings.**
- D. Insurance Representative (one) - Provide up to six (6) hours per week, plus scheduled meetings under special insurance meeting letter.**
- E. In all situations, involving the above committees, where meetings are requested by the Company, in addition to the normal meetings, payment will be made by the Company for working time lost at the appropriate wage schedule hourly rate.**
- F. The Company agrees to pay recognized Union Work Standards Representatives for time which they lose from their work in making joint studies, in analyzing the data and for time spent in the Incentive Standards Grievance Procedure for a maximum of eighty (80) hours over each four (4) week period during the term of this Agreement.**

**This time shall be paid at the employee's appropriate wage schedule hourly rate. All time spent in excess of the eighty (80) hours over the four (4) week period shall be paid for by the Union.**

## **Section 6. Plant Visitation.**

**International Union representatives, not to exceed three (3) who wish to visit the plant because of a grievance which is in Step 2 or 3 of the grievance procedure, or has been appealed to arbitration, will make such request to the Human Resources Manager who will make arrangements for such visitation.**

## **Section 7. Expedited Arbitration Procedure.**

In the event of an alleged violation of Article V hereunder, the issue arising therefrom may be submitted immediately to one (1) of the permanent arbitrators (referred to in Section 3 above) and heard by said arbitrator within twenty-four (24) hours (or as promptly thereafter as possible) after the occurrence of the alleged violation. If the arbitrator finds that the Agreement has been violated, he shall order that the party or persons in violation cease and desist from such conduct and said order shall be in writing and shall be issued at the conclusion of the arbitration hearing. Utilization of this procedure by the Company or the Union is purely discretionary and its employment shall not operate as a condition upon either the Company's or the Union's resort to other contractual, administrative or judicial remedies. The party initiating the expedited arbitration procedure hereunder shall bear the full cost of the fees and expenses of the impartial arbitrator.

## **Section 8. Special Discharge Arbitration.**

- A. The foregoing provisions of this Central Agreement are amended to the extent necessary to provide for a grievance involving an individual discharge case.
- B. Within sixty (60) days from the signing of this Agreement, the Director of North American Labor Relations and the UAW - Case Department will confer and select a permanent arbitrator from the panel to be appointed as special arbitrator for discharge cases only. The arbitrator selected will be contacted and arrangements made for priority availability and will be referred to as the special arbitrator for discharge cases. The special arbitrator will serve in such capacity for the duration of this Agreement except that either party may request a change of special arbitrator by giving written notice to the other within the thirty (30) to sixty (60) days period preceding any anniversary date (July 1) of this Agreement. In the event notice is given or the special arbitrator resigns his position at any time the parties will confer as stated above and agree and arrange for another arbitrator from the panel to assume this position. Any discharge grievance which the parties mutually agree to

process through this special arbitration procedure will be referred to the "special arbitrator for discharge cases."

- C. Any discharge grievance referred to the special arbitration procedure during the meeting outlined in ARTICLE VII, Section 3, paragraph A, will be scheduled for hearing as soon as possible during the next forty-five (45) days immediately following such meeting. Post hearing briefs will be filed within ten (10) days following the conclusion of the hearing. The arbitrator will render a written award with full opinion within ten (10) days following receipt of the briefs, unless both parties mutually agree to an extension of time beyond the ten (10) days.
- D. One copy of the transcript, if any, of a special discharge arbitration will be furnished to the Union at no cost. The Company will pay any fee necessary to retain the arbitrator selected under paragraph B above. The Company and the Union shall bear one-half (1/2) the cost of all other fees and expenses of the impartial arbitrator.

## **ARTICLE VIII DISCIPLINE AND DISCHARGE**

- A. An employee will not be suspended, discharged, or reprimanded except for good cause. Where a supervisor's report is issued in the case of suspension or discharge the steward shall be made available to the employee to witness the issuance of the discipline.
- B. If the matter involves suspension or discharge, the supervisor will, if requested, immediately discuss the matter with the steward, area committeeman if in the plant (or in his absence an available committeeman), and the employee. In the absence of the steward, the alternate steward will be made available. Where the discharge or suspension involves discipline for tardiness, absenteeism, low efficiency, or poor workmanship the employee, upon filing a grievance, will not be required to leave the plant until the emergency meeting in C below has been held.
- C. If a grievance is filed on a suspension or discharge, it will be handled as an emergency matter in a special meeting to be held

within two (2) working days after the filing of such grievance. This meeting may be attended by three (3) Company representatives and three (3) Union representatives or pertinent witnesses. The subsequent Company response shall constitute the third step answer.

- D. Copies of written reprimands including disciplinary action will be given to the employee at the time of such reprimand or discipline with a copy to the steward. A copy will also be sent to the Union.
- E. In imposing discipline on a current charge, the Company will not take into account any reprimand which was issued more than two (2) years previously.
- F. Disciplinary layoffs or suspensions shall not affect an employee's qualification for holiday pay.

## **ARTICLE IX SENIORITY**

### **Section 1. Definition.**

Seniority is an employee's length of service with the Company at each respective bargaining unit from his last hiring date in said bargaining unit. The seniority of an employee who was hired into a job outside a bargaining unit and then transferred into that bargaining unit, will date from the date of his transfer into that bargaining unit.

### **Section 2. Probationary Employees.**

A newly hired or rehired employee shall be considered an employee on probation for a period of sixty (60) calendar days, which must be completed within twelve (12) months. This period is intended to give the Company an opportunity to evaluate the new employee's suitability and his work performance, and his termination for reasons related to suitability and work performance is entirely within the



discretion of the Company. An employee retained beyond the probationary period shall acquire seniority in the department in which he completed his probationary period, and his seniority will date back to his hiring date.

### **Section 3. Transfers out of Bargaining Unit.**

Employees who prior to January 1, 1967, were transferred out of the bargaining unit shall, when returning, receive seniority credit for all their service with the Company including their service outside of the bargaining unit. Employees transferred out of the bargaining unit after December 31, 1966, and subsequently transferred back into the bargaining unit, shall receive seniority credit only for the time worked in the bargaining unit except as provided in the following paragraph:

Any such employee(s), upon returning to the bargaining unit, shall be placed in any vacancy (that has cleared the posting procedure) in the last classification and seniority unit in which he worked just prior to leaving the bargaining unit. If no such vacancy (that has cleared the posting procedure) exists in the classification, then said employee(s), upon returning to the bargaining unit, shall displace any probationary employee(s) then working in the seniority unit or the least senior employee(s) in the seniority unit.

Employees transferred out of the Local Union Nos. 1304 and/or 1306 bargaining units after May 31, 1985, and subsequently transferred back into the bargaining unit shall receive seniority credit only for the time worked in the bargaining unit. Employees transferred out prior to May 31, 1985 shall not return to the bargaining unit.

After the effective date of the Agreement dated July 31, 1971, an employee(s) who transfers out of the bargaining unit and subsequently returns to the unit will upon return to the bargaining unit, be placed in any vacancy (that has cleared the posting procedure) in the last classification in the seniority unit in which he worked just prior to leaving the bargaining unit, if no such vacancy (that has cleared the posting procedure) exists, he shall displace the least senior employee in the plant, provided he has the seniority to warrant him the classification, which will become his recallable classification. (Local Union No. 152 Supplement)

#### **Section 4. Termination of Seniority.**

An employee's seniority shall be terminated for any one of the following reasons:

- (1) If he quits.
- (2) If he is discharged for good cause.
- (3) If he is absent for more than three (3) consecutive working days without properly notifying the Company, unless circumstances make it impossible to so do.
- (4) If he fails to report to the Employment Office within three (3) consecutive working days in response to a recall notice, unless circumstances make it impossible to so do. Recall notice by registered mail, return receipt requested, will be mailed to the employee's last address on record at the plant. The Company shall be entitled to rely upon the last address on record, and it shall be the employee's responsibility to immediately notify the Employment Office of any change of address by mail or in person.
- (5) If he fails to report for work upon termination of any leave of absence, unless circumstances make it impossible to so do.
- (6) If he is laid off for a period of time equal to or greater than his length of service, provided his seniority shall be retained for a minimum of two (2) years.
- (7) If he is absent due to sickness or nonoccupational injury for five (5) years (except for periods of time covered by the provisions of the Accident and Sickness Plan and/or provisions of the Long Term Disability Plan); or
- (8) If he is retired under a Company pension plan.

#### **Section 5. Layoffs.**

(Local Supplement)

#### **Section 6. Recalls.**

## **Section 7. Ability to Perform the Work.**

- A. "Ability to perform the work" means, first, that the Company's records or that the employee's mechanical or other appropriate adaptability, judged on the basis of his experiences, as made known to the Company, indicates the reasonable certainty that the employee can competently perform the work in question; and, second, that the employee demonstrates in actual performance of the work his ability to perform the work competently.

The Company will make available to each employee the opportunity to update his personnel records on a form provided by the Company, with information concerning acquired experience, schooling, training and skills that would assist in future employee placement (Local Supplement - Local 180).

- B. In administering the preceding paragraph, in cases of reductions in the work force and recalls, the Company will follow the following procedure:

- (1) Where the Company's records or an employee's background as made known to the Company indicate that he can do the work in question with a "break-in" period, he will be allowed such a break-in period.
- (2) With respect to the plantwide pool and "entrance" jobs only, it is agreed that any employee who has the necessary physical qualifications is qualified to perform the plantwide pool and "entrance" jobs. (This paragraph (2) does not apply to local 807).
- (3) A "break-in" period shall be of reasonable duration (depending on the complexity of the work) but shall be not less than five (5) days. It shall include allowing the employee to become acquainted with the peculiarities of the work in question for the purpose of orientation, but shall not include training him to do the work.
- (4) If at the end of the "break-in" period the employee has not reached an acceptable level of performance, he shall be deemed not to have the "ability to do the work." The

steward will be informed in writing of the employees' lack of progress.

## **Section 8. Permanent Transfers.**

- A. If departments or classifications or teams (consisting of a classification or a group of classifications) are permanently discontinued, employees will be offered other work in accordance with the layoff procedure.
- B. If a machine is transferred from one team or department, or moved within the same team or department, and the work associated therewith can clearly be identified to an employee(s) in the team or department, then the employee(s) whose machine is being transferred, or replaced, shall be given the option of transferring to the new team or department, or moving within the team or department. If the employee declines transfer, the remaining employees in the classification within the team in the department in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the team. (Local 807 Supplement).
- C. If a majority of a job is transferred from one team or department to another, and the work associated therewith can clearly be identified to an employee(s) in the team or department, then the employee(s) whose job is being transferred shall be given the option of transferring to the new team or department. If the employee declines transfer, the remaining employees in the classification within the team in the department in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the team. (Locals 180, 807, and 1304 Supplements).
- D. In those instances where the transfer of work involves a Union steward or area committeeman who is the only employee in a team or classification, such employee at their option may remain in their area of representation conditioned upon ability to perform the work beginning by displacing the least senior employee in the area they represent.

## **Section 9. Promotions.**

(Local Supplement)

## **Section 10. Preferential Assignments to Light Work.**

Employees who by reason of physical disability are unable to handle their regular assigned classifications to advantage shall be given preference on any available work. Available work shall be defined as work to which no one has recall rights. If no work is available, the employee will be treated as a reduction in force from his classification, and in line with his seniority and the provisions of the layoff procedure, he can use the bypass provisions to arrive at work that is suitable to his condition. This classification shall then become his recallable classification.

(Local Supplements- Local 160, 807, 1304 and 1306).

## **Section 11. Shift Preference.**

- A. Employees with the greatest seniority shall have preference of shifts in their classification and department. When shift preference is exercised, the employee with the least amount of seniority (on the shift preferred) in the same department and classification affected, shall be displaced.
- B. An exercise of shift preference may be delayed only when it would result in an imbalance between experienced and inexperienced workers to the extent that an operation could not continue to operate in the previously satisfactory manner. However, the request will be granted as soon as there is a qualified replacement.
- C. An employee may not exercise shift preference more than once each six (6) months. This limitation will not apply where an employee who has exercised shift preference as in A above is displaced by another employee exercising shift preference or curtailment of shift assignment prior to the completion of the six (6) months period.

## **Section 12. Notice of Layoff.**

Except for reasons of emergency, the Company will give at least three (3) days' notice prior to layoff to the employee affected. The Company will make every effort to notify the area committeeman in

advance of such pending layoff, and provide him a list of the least senior employees in his area who may be removed from the plant. The employee's steward shall be informed of the layoff when this notice is given to the affected employee.

The Crew Program is governed by its own rules.

### **Section 13. Seniority List.**

Each department in the plant shall post a separate seniority list which shall be updated monthly. The Local Union will be supplied with two copies of the seniority list for each department monthly. In the event a grievance arises concerning the accuracy of either list, all facts shall be made available to the Union representatives dealing with the grievance.

### **Section 14. Seniority Preference.**

For the purpose of providing continued Union representation and for no other reason, stewards (or alternate stewards acting in the capacity of stewards), Union bargaining committeemen, and members of the Executive Board (not to exceed 11 members in total), UWSR, shall have seniority preference over all the employees they represent conditioned upon ability to perform the work. Such seniority preferences shall apply only to layoff and recall, except that stewards or Union bargaining committeemen or members of the Executive Board, as outlined above, shall not be removed from their shift through the exercise of shift preference by another employee. At the request of the Local Union, the Company will transfer members of the bargaining committee and/or members of the Executive Board, UWSR, to a particular shift. This member of the bargaining committee or Executive Board will displace the least senior employee in his classification and department on the shift requested. In the case of temporary layoff the steward and committeeman in the department, district or area will for representation purposes be the last employee laid off based upon the provisions of this section. \*See Letters of Understanding

(Local Supplements 1304 & 1306)

### **Section 15. Corporate-wide Seniority.**

The following provisions apply only where plants represented by the UAW are involved.

Letter of Understanding- re Plant Closings

Letter of Understanding- re Retraining/Outplacement

Letter of Understanding- re Plant Preferential Seniority

Letter of Understanding- re Outsourcing

## **Section 16. Transfer of Seniority.**

In all cases of transfers in lieu of layoff, recalls, permanent transfers, or promotions, when an employee is moved or returned to a classification, department, or seniority unit pursuant to Sections 5, 6, 8, 9, or 10 above said employee's seniority shall be transferred immediately to the classification, department or seniority unit for purpose of seniority credit only.

## **Section 17. Skilled Trades.**

### **DEFINITIONS**

- A. A skilled tradesman shall mean any employee who is in a skilled trades classification as set forth in the Local Supplement.
- B. A skilled trades journeyman is any employee who:
  - (1) Has served a bonafide apprenticeship and has a certificate which substantiates his claim of such service, or
  - (2) Has eight (8) or more years of practical experience and can substantiate it with proper proof, or
  - (3) Has a UAW journeyman's card, which shall be considered as presumptive proof of qualifications under (1) or (2) above, or
  - (4) Has a journeyman's card from any other union which has apprenticeship standards comparable to the UAW.

An employee must provide proof to the satisfaction of the Company of his journeyman status prior to his date of entry into the skilled trades classification. This proof shall be reviewed with the Skilled Trades Committeeman prior to the employee's entry into the skilled trades classification.

- C. The list of skilled trades classifications recognized by the Company and the Union applicable to each location is set forth in the Local Supplement.

## **SENIORITY**

- D. Any further employment in the skilled trades classifications listed in the Local Supplement, after the signing of this agreement, shall be limited to journeymen and apprentices, unless otherwise agreed to by the Company and the Union (except as provided in (1) below).

- (1) Whenever it becomes necessary to increase the workforce in a non-apprenticeable classification and there are no journeymen available, the Company shall post the vacancies and select applicants in line with their seniority, providing they have the skill, ability, experience and physical fitness to properly perform the work of the job classification.

To be selected for transfer under the above provisions, an applicants' record of prior work experience, as previously made known to the Company, shall indicate that he possesses the necessary skill and ability to perform the work and can adapt to the vacant job.

## **RATES OF PAY**

- E. Rates of pay are listed in the Wage Schedules of this Agreement.

- (1) An employee(s) transferred or hired into a skilled trades classification, who does not qualify as a journeyman, will receive an entry rate (as provided in the Wage Schedules



Hourly Rate Plan) for the classification to which he is transferred or hired.

- (2) Each six (6) months after such transfer or hire, he will receive one-half (computed to nearest full cent) of the difference between the entry rate and the minimum rate of his classification.
- (3) A journeyman hired into a skilled trades classification will be paid at least the minimum rate of his classification or more, based on the qualifications of the employee, as determined by the Company. An apprentice who graduates into one of the skilled trades classifications will receive the maximum rate of his classification.
- (4) At least once each six (6) months the appropriate supervisor will review the rate of an employee being paid less than the maximum rate of his classification and determine whether his progress merits an increase. The starting date for this interval shall be the date this agreement becomes effective or the date that an employee starts receiving the minimum rate. Increase increments will be one-third (computed to nearest full cent) of the difference between the minimum and maximum.
- (5) If an employee does not receive an increase under (4) above, he shall be given in writing by the Company a list of the skills in which he needs improvement to qualify him for an increase.
- (6) An employee who transfers or is reassigned to a skilled trades classification that he had previously held shall not be paid less than the rate level he had previously attained in that classification.
- (7) A journeyman who transfers under D(1) above of this Section to another skilled trades classification will be paid at least the minimum rate of the classification.
- (8) If a skilled trades employee is eligible for, and elects to be placed on, the Master Recall List and is selected for an available position in the same classification at a different location, the employee shall enter and be paid at the same relative rate level he had previously attained in that classification.

**F. Principles of Skilled Trades Work and Assignments**

In making job assignments, Management intends to respect basic differences between the trades and recognize the importance and prestige of its tradesmen. The Company cannot be put to a disadvantage by "multiple hair-splitting refinements and cumbersome and unreal distinctions." Indeed, the efficient operation of the Company's plants demand the full utilization of the talents of each trade.

Inherent in the work assignment to a skilled tradesman is incidental work. Incidental work will be accomplished by the tradesman assigned the principle job, providing the task is within the capabilities and can be performed safely by the principle tradesman.

## **ARTICLE X LEAVES OF ABSENCE**

**Section 1. General.**

- A. Upon application, leaves of absence not to exceed ninety (90) days, except as provided in Section 2-A, 3 and 4 of this Article X, may be granted employees without loss of seniority in cases where good cause is shown. Such leaves may be renewed or extended where good cause is shown. It will not be necessary for employees to make formal application for leaves of absence for sickness, injury, or vacation.
- B. Any employee who, while on leave of absence, uses such leave for any purpose other than that stated in the application for the leave, shall be deemed to have voluntarily quit.
- C. A Company representative will make a written record of all requests for leaves of absence and of the decision concerning such requests, and the Union shall be furnished with a copy of same.
- D. An employee who is on leave of absence and is qualified for vacation pay shall receive such pay.

## **Section 2. Union Activities.**

- A. Employees elected or appointed to a full-time Union job shall be granted a leave of absence and will accumulate seniority during that period; provided, however, that a formal application will be made as soon as the election or appointment is known to the employee involved. Such leaves of absence shall be granted to not more than five (5) employees at Racine (180) and East Moline (1304), four (4) at Burlington, four (4) at Burr Ridge, and one (1) at East Moline (1306) at any one time.
- B. Union representatives shall be granted leaves of absence for short periods to attend Union conventions, negotiation meetings, and similar functions related to performance of their office, and working time lost due to such absence shall count as time worked for holiday pay, vacations, and credited pension service.
- C. Stewards, members of the Union bargaining committee, or Union officers, shall be granted time off without pay by the Company for the performance of Union duties related to the respective Local Union, whenever necessary. In addition, with two (2) weeks advanced notification and consistent with production requirements up to ten (10) designated union members at each location will be granted time off without pay for attendance at union sponsored summer school, not to exceed ten (10) working days per employee each year.

## **Section 3. Government Offices.**

- A. For the purpose of enabling employees to participate in the affairs of the government, the Company shall grant upon application, leaves of absence to employees who are elected to municipal, county, state or federal government positions, or appointed to fulltime positions with the state or federal government. The leave to fulfill such government office shall not exceed six (6) years.
- B. For employees who are running for office, the Company will grant a leave of absence not to exceed sixty (60) calendar days for the purpose of campaigning for election to municipal, county, state or federal government positions.

#### **Section 4. Armed Forces; Peace Corps.**

- A. Leaves of absence shall be granted employees who are drafted or volunteer into the Armed Forces of the United States. Such employees shall be accorded reinstatement rights in accordance with the Selective Service Act, as amended, upon release from service. In the case of veterans with service connected disability, such leaves may be extended for a period of up to five (5) years after discharge.
- B. In addition, an employee who is accepted for membership in the Peace Corps shall be granted the same privileges and shall be reemployed under the same circumstances as if he had entered the Armed Forces in accordance with subsection A above. This provision shall cover no more than one Peace Corps enlistment.
- C. An employee who has completed his probationary period and is attending summer encampment or annual reserve training as an obligation of service in the Armed Forces Reserves required by law will be reimbursed by the Company for a service period of not more than two weeks in any calendar year and for the amount by which the employee's service pay (not including expense money) is less than his normal company pay at his straight-time hourly earnings (including shift premium) for the last calendar quarter prior to such absence (plus current COLA and any applicable annual improvement factor). Such makeup pay will be calculated on a five (5)-day workweek basis. To obtain this reimbursement, the employee must submit proper evidence of his military pay for this period. The Company will not require that an employee take vacation when his summer encampment or reserve training falls during a scheduled inventory/vacation shutdown. If the employee does not schedule vacation during such occurrence he will be entitled to the make-up pay under this Subsection C, provided that the employee was actively working immediately prior to the inventory/vacation shutdown and would have been actively working during the shutdown period had the shutdown not occurred.
- D. In accordance with the requirements of C above and where an eligible employee is issued orders for temporary emergency duty as a National Guardsman, the Company will provide the make-up pay under the formula stated in C for up to a maximum of ten (10) working days lost in any calendar year. Temporary

emergency duty must be at the call of the state or federal government for emergencies, such as, fire, flood, storm, civil disorder, and similar catastrophes.

## **Section 5. Maternity Leave.**

A leave of absence necessitated by disability due to pregnancy, childbirth, or related medical conditions will be granted to a female employee for the period of time the employee is medically unable to work. Employees on maternity leave will be eligible for the same benefits and terms of employment to which they would be eligible under any other approved leave due to certified medical disability. The employee's physician and the Company's physician will determine the initial date of disability and the expected date of recovery. The employee shall return to work on the expected date of recovery, except that this leave shall be extended by the Company upon written request of the employee, accompanied by a physician's letter which evidences medical necessity for continuation of the leave. In all cases, such employees will not be returned to work without prior approval of the Company physician.

## **Section 6. Educational Leave.**

- A. For the purpose of enabling an employee who has completed at least one year's service to pursue an educational program toward a college degree, the Company shall grant a leave of absence upon application of the employee. Such leave of absence shall not exceed one (1) year; however, this leave may be extended from year to year (for a maximum of five (5) consecutive years from the commencement date of the initial educational leave of absence) provided application is made prior to the expiration of such leave and the employee has not accepted full-time employment elsewhere. No extension will be granted until the employee shows proof of satisfactory grades. Subject to the same conditions outlined above, upon written request, an employee on educational leave may extend the period during which educational leave is taken to a maximum of six (6) years from the commencement date of the initial educational leave of absence, which shall consist of not more than five (5) total years of leave time and not more than one (1) year of work time which must be taken during one (1) interruption of the educational leave. An employee may terminate his educational leave of absence thirty (30) days after notification to the Company of his intention to terminate the

leave. In such cases, another educational leave will not be granted. An employee on educational leave shall be offered suitable summer or temporary employment when available, however, he may not exercise seniority to displace another employee during such periods. The employee hired for summer or temporary employment during such leave period will participate in Company benefits and be granted time off for military summer encampment without make up pay.

- B. For the purpose of enabling an employee who has at least one year's service to pursue an educational program toward a recognized, accredited certificate or associate degree at an accredited trade or technical school in a skill or trade commonly utilized and employed by the Company, an employee may be granted a leave of absence upon written application. Such leave of absence shall not exceed one (1) year; however, this leave may be extended up to one (1) additional consecutive year provided application is made prior to the expiration of such leave. Other rules as set forth in A above shall be applicable.

Paid absence allowance time off will be prorated according to the following schedule:

Hours Worked		Paid Absence Hours
1280	(160 days or more)	32
960 to 1279	(120 days to 159 days)	24
640 to 959	(80 days to 119 days)	16
Up to 640	(Up to 80 days)	8

An employee who has elected to go on educational leave of absence upon returning from leave shall have the right to any open vacancy in a classification not filled per ARTICLE IX, Section 9, if any, or to replace the least senior employee in the plant in line with their seniority providing they have the skill and ability and physical fitness to perform the work of the classification.

## **Section 7. Family and Medical Leave**

- A. Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any calendar year. A husband and wife who both work for the Company will each be entitled to a maximum of twelve (12) weeks of qualifying leave. FMLA leave may be taken for any of the following reasons:

1. Birth or adoption of a child, or the placement of a child for foster care;
2. To care for a spouse, child or parent of the employee due to a serious health condition;
3. A serious health condition of the employee.

- B. An employee may elect to substitute for unpaid FMLA leave any accrued and unused vacation and/or use personal absence allowance. If an employee elects to substitute paid vacation during the FMLA leave and this results in the employee not having a sufficient amount of vacation during the contractually agreed upon vacation shutdown period, the Company may work the employee or lay them off without SUB for the period affected by the paid vacation substitution. Any period during which an employee receives disability benefits or worker's compensation benefits is treated as "paid leave" for purposes of this Section and counted against the employee's FMLA leave entitlement. If paid leave is substituted, the FMLA leave period is not extended. FMLA leave runs concurrently with any substituted paid leave period.
- C. Time on FMLA leave will be considered in the same manner as time on medical leave for S&A purposes when determining hours worked or days worked for calculating certain benefits, including vacation entitlement, GSB or credited service calculations under applicable benefit plans. However, medical leave for worker's compensation, running concurrently with FMLA leave, will be credited for vacation purposes as provided for in Article XII, Section 1C and will also be counted for credited service to the extent provided for in the current Pension Agreement. Time on FMLA leave will not be considered hours worked for purposes of determining eligibility for additional FMLA leave.
- D. Seniority will accrue during FMLA leaves subject to the same limitations as provided for seniority accumulation under Article IX and X.
- E. Subject to the other eligibility requirements in the Insurance Agreement, the Company will continue medical coverage, life and AD&D during the period of FMLA leaves as if they were medical leaves under the Central Agreement.

- F. The employee is required to provide the Company with at least thirty (30) days advance written notice before FMLA leave begins if the need for the leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable.
- G. The Company has the right to require medical certification of a need for leave under this Act. In addition, the Company has the right to require a second opinion at the Company's expense. If a medical dispute arises with the second opinion, a third opinion will be obtained under the provisions of Article VII, Section 3G (provided, however, that the Company will pay the cost of the third opinion for FMLA leave medical disputes occurring under this Section), which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence.
- H. Employees may request FMLA leave for time periods other than consecutive weeks when medically necessary. Such leaves may also be requested and approved, with the Company's agreement, in the case of the birth, adoption or foster placement of a child. In these circumstances, the Company may assign the employee as though he/she were a member of a Resource Pool, under the Job Security Program and/or adjust the employee's schedule to better accommodate the leave request or eliminate the need for using FMLA leave.
- I. The Company may adopt reasonable procedures in accordance with the FMLA, including periodic status reports and recertification of medical conditions while on leave. An employee's failure to follow these procedures or to fulfill his or her other obligations under this Section, including a failure to return to work as scheduled, will subject the employee to discipline.
- J. As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must provide certification that he/she is medically qualified to perform the functions of his/her job.
- K. An employee returning from FMLA leave will be returned to their regular classification, seniority permitting. However, employees on FMLA leave have no greater right to reinstatement to any position than if they had remained on active status.



- L. Employees who choose not to return to employment from leave will have their health insurance terminated and will be required to repay any health insurance premium paid on their behalf during any period of unpaid leave.
- M. The provisions of this Section are in response to the federal FMLA. The Company shall grant an employee any greater benefits provided under any state or local law, provided the employee satisfies all eligibility and other requirements of the applicable state law.
- N. The Union agrees that if a dispute arises under this Section and the Union requests medical information which the Company is required to treat as confidential, the Union will deliver to the Company a valid release from the employee(s) whose records are the subject of the request. If the Union fails to deliver such release, the Company shall have no obligation to provide the requested information.
- O. The Company and the Union recognize that the Department of Labor has just issued final regulations regarding the FMLA. The Company reserves the right to make changes in its compliance plans to reflect final regulations and/or subsequent court decisions and the gaining of additional administrative experience, but without reducing leaves provided by the Agreement.
- P. Problems related to the implementation of this Section may be discussed by representatives of the UAW - Case - Corporate Labor Relations.

## **ARTICLE XI HOURS OF WORK AND OVERTIME**

### **Section 1. The Workweek.**

- A. Except for those employees covered by B and C of this section, the workweek shall begin at 12:01 a.m. Monday and shall consist of seven (7) consecutive 24-hour periods.

- B. The workweek of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall consist of seven (7) consecutive 24-hour periods beginning with their regular starting time on Sunday.
- C. The workweek for employees on continuous operations (to be defined locally) shall consist of seven (7) consecutive 24-hour periods.

## **Section 2. The Workday.**

- A. The workday shall be the consecutive 24-hour period coinciding with the calendar day; provided, however when an employee's shift extends over into the next calendar day, all hours worked on that shift shall be deemed to have been worked on the calendar day on which such shift began (except for those employees covered by B hereof).
- B. The workday of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall be the consecutive 24-hour period beginning with their regularly scheduled starting time and in the case of any such employee, where there is a conflict between the calendar day and his workday, the workday shall prevail.

## **Section 3. Shift Schedules.**

- A. When one shift is needed, the hours normally shall be from 7:00 a.m. to 3:30 p.m. with a half hour designated meal period.
- B. When two shifts are needed, the hours normally shall be as follows: from 7:00 a.m. to 3:30 p.m. for the first shift with a half hour designated meal period; and from 3:30 p.m. to 12:00 Midnight for the second shift with a half hour designated meal period.
- C. When an operation is scheduled on a three-shift basis, the hours normally worked are as follows:
  - (1) If the employee is assigned to a machine or equipment that is manned the other two shifts.

1st Shift 7:00 A.M. to 3:00 P.M.

2nd Shift 3:00 P.M. to 11:00 P.M.

**3rd Shift 11:00 P.M. to 7:00 A.M.**

Such employees shall work seven and seven-tenths (7-7/10ths) hours on each shift with an 15 minute lunch period and be paid for eight (8) hours. When an employee's weekly work schedule continues into the sixth and/or seventh work day, the aforesaid 15-minute lunch period is applicable on these days in the same manner as had been applied during the regular work week.

- (2) If the employee is not assigned to a machine or equipment manned on the other two shifts.

**1st Shift 7:00 A.M. to 3:30 P.M.**

**2nd Shift 3:30 P.M. to 12:00 A.M.**

**3rd Shift 10:30 P.M. to 7:00 A.M.**

- D. The work schedule for certain employees, because of the nature of their duties, may deviate from the above normal shift schedule.
- E. Should it become necessary in the interest of efficiency or during emergency periods to establish schedules departing from the normal shift schedules, the Company will notify the Union in writing and will discuss such changes with the bargaining committee before the change is made. (Local Supplement - Local 180)

**Section 4. Time and One-Half Payments.**

Time and one-half will be paid for all time worked:

- (1) Over eight (8) hours in any one workday.
- (2) Over forty (40) hours in any one workweek.
- (3) On Saturday, except for an employee on continuous operations who will be paid time and one-half for all time worked by him on the sixth (6th) consecutive day of his workweek.
- (4) After a break in an employee's workday which is caused by the Company sending him home and recalling him during that workday.

- (5) Overtime or premium payments under this Section 4 or Section 5 will not apply if employees are placed on an alternative work schedule (e.g., 4-10 or 3-12 schedule). In such case, overtime or premium payments will be paid in accordance with the rules governing that alternative work schedule.

## **Section 5. Double Time and Time and One Quarter.**

- A. Double time will be paid for work performed on Sunday except in cases of:

- (1) an employee scheduled to begin his workweek on or after 10:30 p.m. Sunday night,
- (2) an employee on continuous operation who will be paid double time for all time worked by him on the seventh (7th) consecutive day of his workweek.

(Local Supplement - 180)

- B. Employees working on seven-day continuous operations, such as, the power house will be paid time and one-quarter for work performed on Sunday.

## **Section 6. Shift Changes**

During any one workweek in which an employee is scheduled by the Company to work on another shift and such transfer was not requested by the employee, said employee will receive time and one-half for work performed within the 24-hour period commencing with the starting time of the shift from which he was transferred. If the employee requests such transfer, he will not receive any overtime even though he worked more than eight (8) hours during said 24-hour period. Shift changes will normally take place at the beginning of a workweek, in which event there will be no overtime paid due to the shift change.

## **Section 7. No Pyramiding.**

The payment of overtime for any hour excludes that hour from consideration for overtime payments on any other basis.

## **Section 8. Overtime Distribution.**

(Local Supplement)

## **Section 9. Report-in and Call-back.**

- A. An employee who reports for work when he has not been notified in advance that there is no work available shall be paid for not less than four (4) hours at his regular rate, as set forth in appropriate wage schedules, provided he is not assigned to other work. Those employees so reporting and placed on other work shall be paid the rate established for the job they perform on such temporary assignment, or their regular rate, whichever is higher. This clause does not apply when work is not available due to an occurrence beyond the Company's control, such as fire, flood, or other weather conditions, explosion, power failure, or work stoppage in violation of Article V.
- B. Any employee called back to work after having completed his work assignment for the day or outside of his regularly scheduled hours for the week shall be paid a sum not less than four (4) times his regular hourly rate as set forth in appropriate wage schedules. Such part of the four (4) hours worked shall be paid at the appropriate overtime rate, and the unworked time shall be paid at straight time.

## **Section 10. Holiday Pay.**

- A. The following Holidays or the days on which they are celebrated, pursuant to law or decree, shall be considered holidays:

### 1998-1999

Friday	April 10	Good Friday
Monday	May 25	Memorial Day
Friday	July 3	Day Celebrated as Independence Day
Monday	September 7	Labor Day
Thursday	November 26	Thanksgiving Day
Friday	November 27	Day After Thanksgiving
Thursday	December 24	Christmas Eve
Friday	December 25	Christmas Day
Monday	December 28	Christmas Shutdown

Tuesday	December 29	
Wednesday	December 30	
Thursday	December 31	New Year's Eve
Friday	January 1	New Year's Day
Monday	January 18	Martin Luther King Day
<u>1999-2000</u>		
Friday	April 2	Good Friday
Monday	May 31	Memorial Day
Monday	July 5	Day Celebrated As Independence Day
Monday	September 6	Labor Day
Thursday	November 25	Thanksgiving Day
Friday	November 26	Day After Thanksgiving
Friday	December 24	Christmas Eve
Monday	December 27	Day Celebrated As Christmas Day
Tuesday	December 28	Christmas Shutdown
Wednesday	December 29	
Thursday	December 30	
Friday	December 31	New Year's Eve
Monday	January 17	Martin Luther King Day
<u>2000-2001</u>		
Friday	April 21	Good Friday
Monday	May 29	Memorial Day
Monday	July 3	Day Before Independence Day
Tuesday	July 4	Independence Day
Monday	September 4	Labor Day
Thursday	November 23	Thanksgiving Day
Friday	November 24	Day After Thanksgiving
Monday	December 25	Christmas Day
Tuesday	December 26	Day Celebrated As Christmas Eve
Wednesday	December 27	Christmas Shutdown
Thursday	December 28	
Friday	December 29	
Monday	January 1	New Year's Day
Tuesday	January 2	Day Celebrated As New Year's Eve
Monday	January 15	Martin Luther King Day
<u>2001-2002</u>		
Friday	April 13	Good Friday
Monday	May 28	Memorial Day
Wednesday	July 4	Independence Day
Monday	September 3	Labor Day
Thursday	November 22	Thanksgiving Day
Friday	November 23	Day After Thanksgiving

Monday	December 24	Christmas Eve
Tuesday	December 25	Christmas Day
Wednesday	December 26	Christmas Shutdown
Thursday	December 27	
Friday	December 28	
Monday	December 31	New Year's Eve
Tuesday	January 1	New Year's Day
Monday	January 21	Martin Luther King Day

#### 2002-2003

Friday	March 29	Good Friday
Monday	May 27	Memorial Day
Thursday	July 4	Independence Day
Friday	July 5	Day After Independence Day
Monday	September 2	Labor Day
Thursday	November 28	Thanksgiving Day
Friday	November 29	Day After Thanksgiving Day
Monday	December 23	Christmas Shutdown
Tuesday	December 24	Christmas Eve
Wednesday	December 25	Christmas Day
Thursday	December 26	Christmas Shutdown
Friday	December 27	
Monday	December 30	
Tuesday	December 31	New Year's Eve
Wednesday	January 1	New Year's Day
Monday	January 20	Martin Luther King Day

#### 2003-2004

Friday	April 18	Good Friday
Monday	May 26	Memorial Day
Friday	July 4	Independence Day
Monday	September 1	Labor Day
Thursday	November 27	Thanksgiving Day
Friday	November 28	Day After Thanksgiving Day
Wednesday	December 24	Christmas Eve
Thursday	December 25	Christmas Day
Friday	December 26	Christmas Shutdown
Monday	December 29	
Tuesday	December 30	
Wednesday	December 31	New Year's Eve
Thursday	January 1	New Year's Day
Friday	January 2	Day After New Year's Day
Monday	January 19	Martin Luther King Day

#### 2004

Friday	April 9	Good Friday
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B. Any one of said holidays will be paid for irrespective of the day of the week on which the holiday falls. Except as provided in paragraph E below, pay for such holidays shall be on the basis of eight (8) hours at the employee's average straight-time hourly earnings for the week preceding the week in which the holiday falls. (Any applicable general wage increase is to be included in the calculation for the July 4 holiday pay.) Pay for grievance time as provided in Article VII, Section 5, shall not be included in the computation of holiday pay. The day before New Year's Day, New Year's Day, Christmas Day, and the three other days of the Christmas-New Year's shutdown earnings shall be the same as those used for the day before Christmas Day. To qualify for holiday pay, the employee must have:

- (1) Completed his probationary period.
- (2) Worked on his last regular workday before and his next regular workday after the holiday, except as provided otherwise in C, D, and E below.

C. Absence due to a death in the immediate family to include: spouse, child, parent, step-parent, brother, sister, half brother, half sister, son-in-law, daughter-in-law, current spouse's parent, current spouse's grandparent, brother-in-law, sister-in-law, grandchild, adopted child, stepchild, grandparent, and birth of a child in the immediate family.

D. An employee will be entitled to holiday pay if he is absent the day before the holiday for one of the reasons set forth below, provided he does work in the workweek in which the holiday falls or during the workweek immediately prior thereto and returns to work as soon as possible:

- (1) Laid off due to a reduction in the work force.
- (2) Absence due to an established illness or injury.
- (3) Entrance into the military service.
- (4) Jury duty.
- (5) One of the casual days provided for in Article XII, Section 6.
- (6) Absence authorized in writing by the Company.
- (7) Pre-retirement leave.



- E. An employee who is laid off in the first, second, third, or fourth workweek prior to the week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

An employee who works in the fifth, sixth, or seventh workweek prior to the week in which the Christmas Holiday period begins, and who is laid off during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

An employee who is laid off, on qualifying exception weeks pursuant to II (5) of the C.A.S.E. Program, on consecutive workweeks immediately prior to the week in which the Christmas Holiday period begins and who remains on layoff for such reason shall, if otherwise eligible, receive pay for each of the Holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

- F. In the event the company schedules a plantwide vacation shutdown during a holiday week, an employee absent on vacation during such week will have the option of receiving holiday pay if otherwise qualified or an additional PAA day. If the employee elects an additional PAA day it must be taken during the PAA scheduling year.
- G. When work is performed on a holiday, the employee will be paid double time for the hours worked plus his holiday pay if otherwise qualified.
- H. In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional day off with pay.

## ARTICLE XII VACATIONS

### Section 1. Vacation Time Off and Pay.

- A. Employees who have at least one (1) year of seniority and who have worked a minimum of eighty (80) days during the year prior to June 1, will be eligible for a vacation with pay. Employees entitled to full vacation will receive vacations with pay on the following basis:

Years of Service As of June 1	Weeks of Vacation
1	1
5	1 ½
7	2
15	2 ½
20	3
25	3 ½
30	4

- B. Vacation pay will be computed for the 40, 60, 80, 100, 120, 140 or 160 hours, whichever applies, as follows:

160 or more days worked*	..... full vacation pay
120 through 159 days worked*	... 75% vacation pay
80 through 119 days worked*	.... 50% vacation pay

Five, seven, fifteen, twenty, twenty-five, and thirty-year employees under Section 1-A of this article who qualify for only 50% vacation pay will be allowed 4, 5, 7, 8, 9, or 10 days vacation time off, respectively.

Days lost from work due to an industrial injury for which Worker's Compensation Benefits have been paid will be considered as days worked for vacation eligibility as follows:

- (1) Must have performed work in the vacation year.
- (2) Must meet all other eligibility requirements for vacation as stated in this section.
- (3) Credit will be given for such lost-time days up to a maximum of five (5) in any one work week, provided these would have been days the employee would have normally been scheduled to work.

\* Days worked during the year preceding June 1. Paid vacation days, holidays and PAA for which pay was received will be considered as days worked.

- C. Vacation pay shall be computed on the basis of an employee's average straight time hourly earnings (excluding overtime and shift premium) during the first three (3) months of the calendar year in which his vacation falls. Pay for grievance time as provided in Article VII, Section 5, shall not be included in the computation of vacation pay.
- D. Employees otherwise eligible for vacation pay who have no earnings during this period shall have their vacation pay computed on their average straight-time hourly earnings for the period between April 1 and June 1. Employees otherwise eligible for vacation pay who have no earnings after January 1 shall have their vacation pay computed on their average straight-time hourly earnings during the last two (2) weeks of their employment. Two (2) weeks will be the minimum amount of time used in the computation of an employee's straight-time hourly earnings.

- E. An employee who is reemployed following completion of service in the Armed Forces of the USA will be eligible for vacation during that vacation year as provided in Section 1. Military service will be construed as days worked to meet the eligibility requirements of Section 1.B, provided the employee has worked some part of that vacation year with the Company.

## **Section 2. Vacation Assignments.**

- A. Vacation assignments shall be made by the Company in a manner which will insure the orderly and efficient continuation of production, but the Company agrees to give, whenever possible, the desired Vacation Time indicated by the employees on the basis of their seniority. An employee may elect to take vacation pay in lieu of time off for vacation entitlement in excess of three weeks with management approval, unless a four week shutdown is scheduled. If he/she prefers time off for vacation entitlement in excess of three weeks, the Company will schedule such time and if possible will assign him/her the week he/she prefers.
- B. Except as provided in A above and in cases of pensioners who are entitled to vacation pay, an employee must actually take his vacation in order to receive his vacation pay. All vacation assignments by the Company shall be made within the vacation year period of June 1 through May 31. Vacations are noncumulative from year to year.

## **Section 3. Terminated and Deceased Employees.**

- A. Employees who retire under the pension plan who have worked 160 days or more pursuant to this, Section 1-B, are eligible for full vacation even though their retirement date occurs prior to June 1. Those employees who retire under the pension plan who do not meet the 160 days worked requirements shall receive pro rata vacation pay based on the number of months worked since the previous June 1.
- B. 1. An employee whose seniority is terminated and who upon termination had five (5) or more years of service with the Company who is eligible for vacation under Section 1 of this Article, and has worked at least 160 days during the

vacation year, shall be eligible for prorated portion of his vacation pay, based on the number of months worked since the previous June 1, and the remaining Paid Absence Allowance hours balance for which he is eligible under these plans.

2. Other employees whose seniority is terminated will be eligible for the remaining Paid Absence Allowance hours balance for which they are eligible under these plans, unless such termination is under Article IX, Section 4.(2) or (3).

- C. If an employee otherwise eligible dies before his vacation, or paid absence allowance days are taken, his vacation, including any applicable vacation bonus remaining, and remaining paid absence allowance hours balance shall be paid to the surviving spouse, children or parents, in that order of precedence. Notification of the above will be provided to the Union. Accrued vacation shall be paid as in paragraph B above.

#### **Section 4. Employees Transferred into the Bargaining Unit.**

Employees of the Company, not in the bargaining unit, transferred into the bargaining unit shall receive service credit for vacations for unbroken employment service they had accumulated prior to being transferred into the bargaining unit.

#### **Section 5. Scheduled Plant Shutdown for Vacations.**

A plant shutdown for vacations will not commence before June 1 and it will not extend beyond the end of the last week in August which is one full calendar week before Labor Day, unless there are important business reasons for extending the vacations to the end of August in which event such extension will be discussed with the Union. The Company will post the vacation notice by the first of April each year. The Company may not change a vacation notice after June 1, except by mutual agreement.

In the event that any portion of an inventory/vacation shutdown period is scheduled during the month of June, the schedule will be posted and fixed thirty (30) days prior to the start of the week(s) scheduled.

In addition, employees who have not been scheduled to work such shutdown may not be required to work due to schedule changes past the fourteenth (14) calendar day preceding the beginning of the shutdown. Employees who worked in the classification and were scheduled to work but left the classification for any reason may still be required to work the shutdown period.

## **Section 6. Paid Absence Allowance.**

- A. An employee with at least one (1) year of seniority as of July 1, each year will be granted up to thirty-two (32) hours of absence between July 1 and the subsequent June 30. The foregoing absences must be requested at least three (3) working days in advance. Pay for such absence will be made at the employee's average straight-time hourly earnings (excluding shift premium) for the last calendar quarter prior to such absence (plus current cost-of-living and any applicable improvement factors) for days on which he would otherwise be scheduled to work. Such absences shall be taken in individual increments of not less than four (4) hours.
- B. An employee absent from work because of illness, which except for the waiting period would entitle him to weekly disability benefits, may elect to have one or more full days of such absence treated as eight (8) hours of absence under this provision.
- C. An employee who is absent from work on a scheduled work day without the proper notification defined in paragraph A of this section may request pay for such absence which will be granted if and to the extent he is eligible for such pay. The granting of such pay will in no way imply that his absence was or was not for a reasonable or satisfactory reason, nor will it imply any waiver of the employee's obligation to make a reasonable and satisfactory effort to have notified the Company prior to such absence.
- D. At the employee's option the Company will pay for the unused Paid Absence Allowance as follows:
  - (1) At the end of the last pay period in March, hours over twenty-four (24).

(2) At the end of the last pay period in April, hours over sixteen (16).

(3) At the end of the last pay period in May, hours over eight (8).

(4) At the end of the contract year, the remaining hours, if any.

E. During the vacation season an employee eligible for one or more weeks of vacation may take up to his maximum eligibility in individual days upon making advance request of thirty (30) days prior to said vacation.

## **Section 7. Vacation Bonus.**

An employee who is eligible for vacation as stated in , Section 1 A, B, C, D, and E will receive a vacation bonus of \$135.00 (minus required withholding and social security deductions). \$100.00 (minus required withholding and social security deductions) of the vacation bonus will be paid at the time the employee receives his vacation, and \$35.00 (minus required withholding and social security deductions) will be paid on the regular pay day immediately preceding the Christmas shutdown as stated in Article XI, Section 10A. To receive the \$100.00 payment at vacation and the \$35.00 payment at the Christmas shutdown, an employee must be on the seniority list on the scheduled payment dates.

Employees who retire under the Pension Plan after June 1 who are eligible for vacation as provided in Section 3 of this Article, will receive the related Vacation Bonus Payment of \$135.00 (minus required withholding and social security deductions) at the time the vacation payment is made to the retiree.

## **ARTICLE XIII WAGES**

### **Section 1. General Principles.**

The parties agree and they subscribe to the principle of "a fair day's work for a fair day's pay" and recognize that pegging of production is not consistent with such a principle.

### **Section 2. Schedule of Rates.**

Attached to each Local Agreement are schedules of hourly day rates, skilled trades rates, direct non CCICS and CCICS rates.

### **Section 3. Application of Schedule.**

- A. Newly hired employees shall be paid at the starting rate of the classification to which they are assigned as noted in the schedules attached to each Local Agreement.
- B. Employees shall be paid for time worked in a classification at the rate for that classification, except as specifically provided otherwise in this Agreement.
- C. When the Company temporarily assigns an incentive employee to another incentive classification, his earnings will be based on the labor grade of his classification, or the labor grade of the classification to which he is temporarily assigned, whichever is higher.
- D. When the Company temporarily assigns an hourly-paid employee to another hourly-paid classification he will receive the hourly rate from which he was transferred or the hourly rate of the classification to which he is assigned, whichever of these rates is higher.
- E. When the Company temporarily assigns an incentive worker from his incentive classification to an hourly-paid classification he will receive the corresponding day rate of his classification or the hourly rate of the job to which he is temporarily assigned whichever is greater.



- F. When the Company temporarily assigns an hourly paid employee to an incentive classification his earnings will be based on the labor grade of his classification ("Day Rate" or "Skilled Trades" as applicable) or the incentive rate of the job to which he is temporarily assigned, whichever is higher.
- G. A temporary assignment is one where, upon its completion, the employee will return to his former assignment; it is not requested by the employee; it is not a transfer at the time of a reduction in the work force of a classification or department; it is not made because the employee is unable to perform the job; and, it does not include assignments of an employee who is assigned to a job to which he is regularly or periodically assigned.
- H. Temporary assignments shall not exceed sixty (60) consecutive working days unless employees so assigned are willing to accept an extension beyond the sixty (60) days.
- I. Work normally done in the tool room, experimental department or in the maintenance department, which are assigned to be produced on regular production machines by regular production machine operators will be paid for at the minimum rate of the appropriate classification in the tool room, experimental department or maintenance department.

#### **Section 4. New or Changed Classifications.**

- A. When significant changes occur in the job content of any classification or any additional classifications are necessary in the wage schedule of each Local Agreement, the classifications shall be rated or rerated, as the case may be, to conform with similar classification rates in these schedules. Notices of such changes shall be given to the Union when they are made effective.
- B. Grievances regarding the rating or rerating of classifications may be handled in accordance with the grievance procedure. In the event a grievance arises, all of the known facts shall be made available to the parties dealing with the grievance.

## **Section 5. Cost-of-Living.**

Each employee covered by this Contract shall receive a cost-of-living allowance as set forth in this Section.

Except as otherwise provided in paragraph (d) herein, the cost-of-living allowance (presently accumulated and future increases) shall not be added to the wage rate for any classification, but only to each employee's straight-time hourly earnings.

The cost-of-living allowance shall be taken into account in computing overtime premium, vacation pay, bereavement pay, holiday pay, jury pay, paid absence allowance and military encampment, unless otherwise provided in this Agreement.

The amount of cost-of-living allowance shall be determined and redetermined as provided below on the basis of the Consumers Price Index for Urban Wage Earners and Clerical Workers (including Single Workers) (CPI-W) published by the Bureau of Labor Statistics, United States Department of Labor (1967 = 100 revised) and referred to herein as the "Index". Continuance of the cost-of-living allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for March, 1998, unless otherwise agreed upon by the parties. Beginning with the Price Index for January 1987, the CPI-W was revised to reflect the updated expenditure weights based on data from 1982-1984 Consumer Expenditure Surveys and minor changes in the updating of the market basket. In the event of any other changes in the Index during the term of the Agreement, the parties will determine the appropriate Index to use.

### **(a) Effective Dates of Adjustment**

The cost-of-living allowance amount in effect until June 1, 1998 will be three dollars and sixteen cents (\$3.16) per hour. Thereafter, cost-of-living adjustments shall be made on a quarterly basis, starting with the first pay period beginning on or after June 1, 1998 and at three calendar month intervals thereafter including December, 2003.

### **(b) Base Adjustment Amounts**

The Comparison Price Index means the Price Index for February, March, and April (averaged) next preceding the

June adjustment date; for May, June, and July (averaged) next preceding the September adjustment date; for August, September and October (averaged) next preceding the December adjustment date; for November, December, and January (averaged) next preceding the March adjustment date.

The Adjustment Amount will be established by calculating the average for the appropriate three month period and then utilizing the following Comparison Price Index table to determine the total amount of COLA then due on the adjustment date.

Comparison Price Index				Adjustment Amount
470.3	-	470.8	=	3.11
470.6	-	470.7	=	3.12
470.8	-	471.0	=	3.13
471.1	-	471.3	=	3.14
471.4	-	471.5	=	3.15
471.6	-	471.8	=	3.16
471.9	-	472.0	=	3.17
472.1	-	472.3	=	3.18
472.4	-	472.6	=	3.19
472.7	-	472.8	=	3.20
472.9	-	473.1	=	3.21
473.2	-	473.3	=	3.22
473.4	-	473.6	=	3.23
473.7	-	473.9	=	3.24
474.0	-	474.1	=	3.25
474.2	-	474.4	=	3.26
474.5	-	474.6	=	3.27
474.7	-	474.9	=	3.28
475.0	-	475.2	=	3.29
475.3	-	475.4	=	3.30
475.6	-	475.7	=	3.31
475.8	-	475.9	=	3.32
476.0	-	476.2	=	3.33
476.3	-	476.5	=	3.34
476.6	-	476.7	=	3.35
476.8	-	477.0	=	3.36
477.1	-	477.2	=	3.37
477.3	-	477.5	=	3.38
477.6	-	477.8	=	3.39

477.9	-	478.0	"	3.40
478.1	-	478.3	"	3.41
478.4	-	478.5	"	3.42
478.6	-	478.8	"	3.43
478.9	-	479.1	"	3.44
479.2	-	479.3	"	3.45
479.4	-	479.6	"	3.46
479.7	-	479.8	"	3.47
479.9	-	480.1	"	3.48
480.2	-	480.4	"	3.49
480.5	-	480.6	"	3.50
480.7	-	480.8	"	3.51
481.0	-	481.1	"	3.52
481.2	-	481.4	"	3.53
481.5	-	481.7	"	3.54
481.8	-	481.9	"	3.55
482.0	-	482.2	"	3.56
482.3	-	482.4	"	3.57
482.5	-	482.7	"	3.58
482.8	-	483.0	"	3.59
483.1	-	483.2	"	3.60
483.3	-	483.5	"	3.61
483.6	-	483.7	"	3.62
483.8	-	484.0	"	3.63
484.1	-	484.3	"	3.64
484.4	-	484.5	"	3.65
484.6	-	484.8	"	3.66
484.9	-	485.0	"	3.67
485.1	-	485.3	"	3.68
485.4	-	485.5	"	3.69
485.7	-	485.8	"	3.70
485.9	-	486.1	"	3.71
486.2	-	486.3	"	3.72
486.4	-	486.6	"	3.73
486.7	-	486.9	"	3.74
487.0	-	487.1	"	3.75
487.2	-	487.4	"	3.76
487.5	-	487.6	"	3.77
487.7	-	487.8	"	3.78

And so forth with 1¢ adjustment for each .28 change in the average index for the appropriate three months as indicated. The sequence of five changes, 0.3, 0.2, 0.3, 0.2, and 0.3, and being repeated in the table produces an average adjustment over time of 1¢ for each 0.28 change in the index.

In no event will a decline in the three-month average BLS Consumer Price Index below 470.3 provide the basis for a further reduction in wages.

In the event the Bureau of Labor Statistics shall not issue the appropriate index on or before the beginning of one of the pay periods referred to in this Section, any adjustment in the allowance required by such index shall be in effect at the beginning of the first pay period after receipt of such index.

No adjustment, retroactive or otherwise, shall be made in the amount of the Cost-of-Living allowance due to any revision which later may be made in the published figures for the index for any month on the basis of which the allowance shall have been determined.

- (c) During the term of this Agreement, the current COLA allowance of three dollars and sixteen cents (\$3.16) and any COLA accumulated under this Agreement will continue to be paid as an additive to the wage rate schedule and the Red Circle Pay Level (no fold-in) and will not be considered when calculating SHP incentive earnings or the Red Circle Pay Level. For all benefit calculation purposes, three dollars and eleven cents (\$3.11) of the current COLA allowance of three dollars and sixteen cents (\$3.16) accumulated under the 1990-95 Agreement and the 1995-1998 Agreement, will be included as part of the wage schedule.
- (d) The first four cents (4¢) from each of the twenty-three (23) quarterly COLA adjustments generated under this Agreement, shall be permanently deducted and diverted. If the adjustment amount due for a specific adjustment date is zero (\$0.00) cents per hour or less, no such permanent deduction will apply. If the adjustment amount for a specific adjustment date is less than the prescribed diversion amount of four cents (4¢) the diversion amount will be equal to the adjustment amount otherwise due.
- (e) For purposes of calculating COLA under the paragraph (b) payment table, the appropriate amount of diversions diverted under (d) above will be deducted from the amount otherwise payable in accordance with the table.

- (f) This table, which is based on the Bureau of Labor Statistics' CPI-W (1967 = 100) reference base, will be used for the first three adjustments of the Agreement, beginning in June 1998 through December 1998. Effective with the March 1999 adjustment, this table will be converted to BLS's CPI-W (1993-95 = 100) reference base. The new table and COL formula will be created in such a fashion that neither party will gain or lose from the conversion from CPI-W (1967 = 100) to CPI-W (1993-95 = 100).

### **Section 6. Shift Premiums.**

- A. Employees regularly working on the second shift receive a premium of thirty cents (30¢) per hour and forty-five cents (45¢) per hour for the third shift for each hour worked.
- B. For the purposes of this Section, second shift shall be any shift regularly starting from 12:00 Noon up until 7:00 p.m., the third shift shall be any shift regularly starting from 7:00 p.m. up until 1:00 a.m.

### **C. Section 7. Pay Day**

Under normal situations, wages shall be paid prior to the noon lunch break on Friday of each week for the first and third shifts and on Thursday of each week for the second shift, except where pay for the second shift is not available by reason of mechanical limitations or difficulties experienced in the existing payroll system. In cases where the plant is not operating because of a holiday or reduction of operations, pay day will be the last scheduled day of the week. New hires shall be paid via electronic deposit. Paychecks shall be deposited on Friday.

## **ARTICLE XIV GENERAL PROVISIONS**

### **Section 1. Non-Unit Employees.**

It is the Company's policy to discourage non-unit employees from performing unit work. Non-unit employees shall not perform production, experimental or maintenance work, except instructing in the work classifications covered by this Agreement to the extent it could affect the jobs available in the bargaining unit.

### **Section 2. Bulletin Boards.**

The Company will maintain the bulletin boards now provided for the Union and which may be used by the Union for the posting of Union business notices. The Company will continue to provide literature racks under the arrangements presently in effect.

### **Section 3. Safety and Health.**

- A. The Company is committed to protect the health and safety of all of its employees, and shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment. Management has assigned responsibility for carrying out the various aspects of the health and safety program and the Union will actively participate and cooperate with management in the program's implementation.

## **B. Central Safety Committee**

The Company and the Union will establish a Central Safety Committee consisting of two representatives from the International Union to be appointed by the Director of the Union's Agricultural Implement Department and two representatives of the Company to be appointed by the Company. Each party will appoint at least one member of its Committee who has professional training in Safety and Industrial Hygiene.

The functions of this Committee will be to:

- meet semi-annually at a time and place mutually agreeable to the parties.
- review the Company's Safety and Health Program and make necessary and desirable recommendations.
- establish a system to encourage and recognize the professional development of Joint Local Health and Safety Committee/Team members.
- provide to the Joint Local Health and Safety Committee/Team, at no cost to them, health and safety training twice annually; the topic and timing to be determined by the Co-Chairs of the Central Safety Committee. The Central Committee will insure that Joint Local Health and Safety Committee/Team Members have or will receive training in the following areas: Accident Investigation, Noise Control, Machine Guarding, Lockout, Confined Space Entry, Toxicology, Industrial Hygiene, Ergonomics, Fall Prevention, Ventilation and Review of New Equipment and advanced, national health and safety issues.
- review and analyze Local, State and Federal regulations relating to Health and Safety.
- review problems that are presented by the Joint Local Health and Safety Committee/Team make necessary and desirable recommendations.
- analyze data from the monthly safety reports and OSHA Form 200 and have special tests conducted where needed.



- discuss possible areas for cooperative research efforts regarding workplace hazards.
- minutes of the meetings will be given to the Central and Joint Local Health and Safety Committees/Team.
- submit its recommendations in writing to the appropriate Joint Local Health and Safety Committee(s)/Team following any joint meeting.

#### C. Joint Local Health and Safety Committees/Teams

Case Corporation and the UAW recognize the role and responsibility of the Joint Local Health and Safety Committee/Team to serve as a technical resource and consulting team to the Local Management and Union. The parties further recognize the need for the professional development of the Local Union and Management representatives; therefore, the Joint Local Committee/Team Co-Chairs will mutually identify and make available necessary and appropriate health, safety and ergonomics training in addition to that scheduled by the Central Safety Committee. The Company will cover expenses associated with this training.

Joint Local Health and Safety Committees/Team will be established in each bargaining unit (refer to Local Supplements). Each such Committee/Team will consist of representative(s) appointed by the Company and appointed, elected or volunteered representative(s) of the UAW. The Company representative(s) shall include the Plant Safety Supervisor, a member of either the Plant Engineering or Maintenance Department and one other representative of management. The Joint Local Health and Safety Committees/Teams shall meet once each month to:

1. Consider and make recommendations for the correction of conditions considered to be unsafe, unhealthy or unsanitary based upon plant inspections and employee observations. Copies of such recommendations will be furnished to the appropriate Company representatives and tentative completion dates will be discussed.
2. Consider and make recommendations on obtaining complete salaried and hourly employee cooperation with the enforcement of safety and accident prevention rules and program guidelines.

3. Review OSHA Form 203, results of industrial hygiene surveys, Material Safety Data Sheets, employee complaints, local safety and health education programs, photographs taken of accidents and/or hazardous conditions, and the written progress report made by the Plant Safety Supervisor regarding recommendations made at previous Safety Committee/Team meetings.
4. Request, take, or assist in taking noise measurements, air contaminant and air flow readings using the recording devices and smoke tubes made available by the plant.
5. Request, surveys by the Company's Industrial Hygiene department of air quality and other industrial hygiene surveys. Copies of the results to be given to the Union.
6. Monitor programs such as Fall Prevention, Contractor Safety, Confined Space Entry, Noise Abatement, and Ergonomics and make recommendations to insure proper implementation.
7. Take an active role in reviewing, recommending and presenting local safety education and information programs and employee job-related safety training (e.g., hazard communication, lockout, accident investigation, confined space, etc., as required).

Minutes of the Committee/Team meetings shall be taken by one of the Company members, and if acceptable, signed by the Safety Supervisor and Union Joint Local Health and Safety Committee/Team Chairman. Copies shall be distributed to the Committee members and to the Chairman of the Union Bargaining Committee.

The minutes of the regular meetings will provide information and details to the Central Safety Committee for use in its evaluation and assistance in working with the specific problem areas relating to the plant.

The Union Joint Local Health and Safety Committee/Team Chairman, or his designee, may accompany an OSHA inspector on an official plant inspection tour.

The Joint Local Health and Plant Safety Chairman will be notified of the visit to the plant of a Company Safety and

Health expert and will be afforded the opportunity to meet and discuss with him the purpose and/or results of his work.

The Joint Local Health and Safety Committee/Team may request the services of the Joint Central Safety Committee to review health and safety areas and specific problems at any time.

**D. Union Access to Facilities or Information**

The Company will provide access, upon reasonable notice, to Company plants and locations to health and safety representatives of the International Union. Such representatives may be accompanied on premises by Company representatives and the Chairman of the Joint Local Health and Safety Committee/Team and in Racine the Local 180 Area Safety Committeeman. Upon request, reports on such surveys will be provided to the Company.

The Company agrees to allow access to the Union Members of the Joint Local Health and Safety Committee/Team to reference material available to the Plant Safety Supervisor and other information such as Material Safety Data Sheets, accident reports, results of environmental and noise tests, injury and illness data, photographs, plant safety goals and corporate programs and policies. Such information is provided to the Union to assist it in performing its health and safety representational functions under the contract. Disputes that arise regarding disclosure of such information will be referred to the Central Committee for resolution.

The Company has established in each plant a file of Material Safety Data Sheets (MSDS) using Dept. of Labor form LSH-005-4 or any other equivalent form. MSDS sheets have been prepared for every chemical used in the plant. The MSDS file will be made available to the Joint Local Health and Safety Committee/Team.

**E. Employee Access to Information and Records**

Whenever an employee's personal exposure to a potentially hazardous material is measured, the results will be provided to the employee and a copy placed in the employee's medical file.

The Company will provide to employees who are exposed to harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests at a frequency and extent necessary to determine whether the health of such employees is being adversely affected.

If a medical examination or test given an employee by the Company discloses any abnormal conditions, the employee shall be informed of said conditions and shall be given a copy of any written opinion or recommendation made by the doctor.

Upon written request by the employee, the Company will make available to the employee and/or the employee's doctor all medical records (including X-rays) relating to the examinations, tests or in-plant injury or occupational illness at no cost to the employee.

#### **F. Injury Reporting and Accident Investigation**

Employees must report to their supervisor/facilitator any injury suffered so proper treatment can be administered by the First Aid Department or doctor. The Company shall promptly make adequate provision for first aid, hospital care, and ambulance service as necessary.

The supervisor/facilitator will be involved in the investigation of all OSHA recordable injuries and, if it is determined that the injury was caused by an equipment malfunction, the investigation will be completed prior to another employee being assigned to that machine, but no later than 24 scheduled hours.

Prior to investigating an OSHA recordable injury, the Company's Safety Supervisor will notify the Local Safety Committee/Team Chairman (in Racine, the Local Area Safety Committeeman) of the injury and afford him the opportunity to participate in such investigation and request appropriate photographs of the incident.

The Plant Safety Supervisor will promptly give a copy of the investigation report to the Joint Local Health and Safety Committee/Team Chairman or the Local Area Safety Committeeman. That report will be reviewed at the next regularly scheduled meeting.

### **G. Personal Protective Equipment**

The protective safety equipment which will be provided by the Company is set forth below. All personal protective equipment provided by the Company will continue to be of safe design and construction. Employees must wear the personal protective equipment, and use the protective devices and other safety equipment designed to protect them from injury and illness.

#### **Eye Protection Program.**

The Company will provide prescription and/or non-prescription safety glasses to all employees starting their employment with the Company. All employees are required to wear ANSI-Z27.1 approved safety glasses in the course of their employment. When safety glasses are damaged in the course of an employee's work, they will be replaced at no cost to the employee by the Company. For prescription safety glasses, the employee will provide the Company with a copy of their prescription and assume the cost of such prescription. When a correction is required in the employee's prescription, the cost of replacement prescription safety glasses will be assumed by the Company. The replacement cost of prescription safety glasses lost or damaged by improper care by the employee will be at the expense of the employee, unless two years have elapsed from the date of the last issue of prescription safety glasses.

#### **Foot Protection Program.**

The Company will provide toe clips or guards to all employees starting employment with the Company. All employees are required to wear prescribed foot protection in the course of their employment. The Company will make ANSI-Z41.1 approved safety shoes available to the employee for purchase. A supplement of \$25.00 will be paid toward the purchase of a pair of metatarsal-guarded shoes. Two (2) pair per year will be supplemented. When metatarsal-guarded shoes are required to comply with OSHA (such as the Racine Foundry), the Company will provide employees with metatarsal-guarded shoes from the Company approved suppliers or vendors in accordance with the requirements of OSHA. The employee must turn in the used pair of shoes and a receipt to receive reimbursement for the new pair of metatarsal-guarded shoes. Any employee removing a guard from a shoe is subject to normal disciplinary action. This provision is not intended to reduce the Company's responsibility, in any way, under the OSHA Standard 1910.136

## **Miscellaneous**

Personal protective equipment, devices and clothing, which are required or are necessary for particular work assignments, shall be provided and furnished by the Company. (Refer to Local Supplements for specific personal protective equipment.)

Personal protective equipment furnished employees except for prescription glasses, must be returned to the Company when terminating employment. The cost of such equipment not returned in usable condition will be deducted from the employee's last pay check, except for those items returned in unusable condition due to normal wear and tear.

Personal protective equipment that is damaged as a result of a workplace injury will be replaced at company expense.

### **H. Lost Time Payment**

An employee who receives an in-plant injury which requires a visit to a hospital or doctor in or out of the plant will be paid the appropriate wage schedule hourly rate as applicable for the time lost, or the balance of the shift, whichever is shorter, provided the employee returns to the job promptly if able to return to work.

### **I. Health and Safety Dispute Resolution**

Written grievances involving Safety that have been reviewed in the "second step" may be referred to the Local Safety Committee/Team. The remaining steps of the grievance procedure are also available for those grievances.

It is the desire of the parties that problems and questions relating to Health and Safety should be resolved through the use of these Safety Committees/Team by the parties without referral to government agencies.

### **J. Fall Prevention**

The Company will continue to apply its comprehensive fall prevention program. Hazardous tasks will be prioritized and plans for control measures will be developed and implemented. The programs guidelines, which will constitute a base line, or benchmark, will be distributed to each facility. The Local Health

and Safety Committee/Team will review the program and, based on that facility's operations, may make recommendations.

#### **K. No Hands in Die/Protection Program**

The Company is committed to the Safety and Health of all employees, regarding power press and press brake safety. During this agreement the Company will strive to achieve a No Hands in Die application and where this is not feasible, it will ensure point of operation devices such as brake monitors, barrier guards, light guards, or simultaneous and concurrent activated two-handed controls are utilized and maintained in working condition.

For those operations which require employees to place their hands or arms into the die area, power presses will, where feasible, be additionally equipped with safety devices to prevent the press ram from cycling or falling, while the employees are loading and unloading into the die area.

Press brake operations will incorporate safety methods, procedures, tools, devices, or combination of these to achieve pinch point protection.

The parties agree to consult with recognized experts in the field of power press safeguarding to identify potential areas to improve employee protection.

#### **L. Abatement Programs**

##### **Noise**

The Company will continue to develop and implement feasible engineering controls in an effort to eventually eliminate the use of hearing protection. Where feasible, the Company is committed to purchasing equipment or machinery that will further the noise reduction objective. The Joint Local Health and Safety Committee/Team will receive copies of any noise surveys conducted in that facility that year and review the most recent noise abatement plan. The Joint Local Health and Safety Committee/Team may make recommendations after reviewing this information.

## **Respirators**

The Company will provide pulmonary function tests as deemed necessary by the Company Medical Director.

The Company will proceed with such pulmonary function tests for welders and foundry employees.

The Company will continue to experiment with new and innovative welding procedures and/or equipment.

The Company will review with the Local Safety Committee/Team the respirator abatement program currently in effect, and those it is planning to undertake. The Company will supply this information to the Local Safety Committee/Team in writing with the understanding that the Local Safety Committee/Team will have an opportunity to discuss the respirator abatement program with the Company and make recommendations designed to improve upon it.

## **M. Lockout Program**

There shall be an effective lockout program in each plant, which shall include:

- machine specific lockout procedures
- the dissemination of lockout procedure information (it is the Company's intent to post lockout procedures where written lockout procedures have been established pursuant to OSHA Standard 1910.147); the Joint Local Health and Safety Committee/Team will review written procedures and make recommendations where the information is incomplete.
- compliance inspections

The Company will review with the Local Safety and Health Committee/Team the machinery and equipment lockout program currently in effect, as well as any modifications to the program when made. The Company will supply this information in writing with the understanding that the Local Safety and Health Committee/Team will have an opportunity to discuss the program and make recommendations designed to improve upon it.



**N. Ergonomics**

The Company has implemented and will maintain a comprehensive ergonomics program. The elements of the program and implementation time table will be reviewed periodically with the Central Committee and each Joint Local Health and Safety Committee/Team.

Where feasible, engineering controls will be the primary method of reducing cumulative trauma risks and administrative controls will be used pending the installation of any feasible engineering controls.

**O. Hazardous Material Review and Reduction.**

Effective control of hazardous materials protects the employees of Case as well as the environment in the surrounding communities. The Company will continue reducing its use of hazardous materials where feasible. This program will be reviewed periodically with the Joint Local Health and Safety Committees/Teams. The Local Union Health and Safety Committee/Team Chairman will be provided with advance information on hazardous materials which affect the health and safety of UAW members and be given an opportunity to participate in the review and make recommendations.

**P. Contractor Safety Program.**

The Company will establish a Contractor Safety Program at each facility, which will include guidelines on pre-qualification, site inspections and enforcement procedures. The draft program will be circulated among members of the various Plant Safety Committees/Teams for review and recommendations.

**Q. New and Modified Machinery and Plant Rearrangement**

Where feasible, health and safety issues (such as ergonomics) should be considered at the early stages of process development or machinery acquisition. Accordingly, engineers involved in such projects should be knowledgeable or receive training in ergonomics, health and safety hazard analysis and the Company's related specifications for machinery acquisition. Whenever possible, the Company will provide advance notice to the Joint Local Health and Safety Committee/Team of significant acquisitions of new equipment and machinery or layout

changes which may adversely affect the health and safety of employees.

**R. Preventive Maintenance**

The Company will establish and implement preventive maintenance programs in areas that affect employee health and safety. The Joint Local Health and Safety Committee/Team will periodically monitor these programs.

**S. Industry Research Projects**

Where feasible, the Company will continue its participation in relevant research projects conducted within industry for the prevention and elimination of work place hazards.

**T. (Local Supplement)**

- U. The apprenticeship committee at each local plant will make provision for health and safety training for apprentices.

**V. Working Alone**

The Company will continue to apply its working alone policy. This policy provides guidelines on the assignment of employees, highlight special hazards and recommend rules, procedures and safeguarding systems for the elimination or control of these hazards.

**W. Union Liability**

The International Union, Local Unions, Union and Joint Local Health and Safety Committees and Union members of such Safety Committees/Teams and Union officials, employees and agents shall not be liable for any work-connected injuries, disabilities, diseases, deaths or loss resulting therefrom which may be incurred by employees of the Company or its subsidiaries or by third parties while on Company property. This is not intended to, and does not, increase the Company's liability in such cases beyond its' normal exposure, if any (i.e., Worker's Compensation).

## **Section 4. Group Insurance And Pension.**

- A. The group insurance plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.

**B. Insurance Claim Review**

The Company recognizes the importance of resolving disputes involving Group Insurance Claims, and the importance of retaining the confidentiality of the information contained therein on behalf of the employee. Therefore, these cases would be treated apart from the grievance procedure in the following manner:

To resolve the disputes and maintain the confidentiality of the claim, the Local Plant Human Resources Manager, or his representative, will review the claim and related pertinent facts with the Local Union Insurance Representative.

This review will be held monthly at a time mutually agreed upon. Five (5) days in advance of this same meeting the Company will provide the Local Union representative information relative to all claim denials, death benefit payments, and those employees who have received 48 weeks of accident and sickness benefit.

- C. The pension plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.
- D. All disputes or claims arising under or relating to the pension plan shall be processed pursuant to the provisions of the pension plan and shall not be subject to the grievance procedure set forth in Article VII.

## **Section 5. Supplemental Unemployment Benefit Plan.**

The Company and the Union agree in principle on the desirability of providing income protection for employees in periods of layoff through supplemental unemployment benefits. The supplemental unemployment benefit plan will provide protection for employees of the Company. It will be known as the "Supplemental Unemployment

Benefit Plan," and is made a part of this Agreement and attached hereto as a Central Supplement.

## **Section 6. Designated Break Period.**

A specified period for the first shift from 9:00 a.m. to 9:10 a.m.; second shift from 5:30 p.m. to 5:40 p.m.; and third shift from 1:00 a.m. to 1:10 a.m. will be designated as a luncheon period. It is understood and agreed that this designated luncheon period will not become a part of any allowances or segments of time for Direct (Incentive) classifications.

## **Section 7. Jury Service Pay.**

Any employee who has completed his probationary period and who is summoned and reports for jury duty in a court of record (including coroner's juries) or who is required by law to appear and does appear for examination by a jury commission prior to such jury service will be reimbursed by the Company for each day on which he performs such jury duty and on which he would otherwise have been scheduled to work, in accordance with the succeeding provisions of this section:

- A. If he is absent for his entire shift because of such jury duty, he will be paid the difference between his jury duty and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury service.
- B. If he performs such jury duty and works on the same day, he will be paid the difference, if any, between his actual earnings for that day plus the jury pay received and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury duty.
- C. Time paid for but not worked will not be counted as hours worked for purposes of overtime. Reimbursement to an employee under this section shall be payable only if the employee (i) gives the Company prior notice of his summons for jury duty, (ii) presents evidence satisfactory to the Company that jury duty was performed on the day or days for which such reimbursement is claimed, and (iii) when released or excused from such duty returns to work promptly.

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- D. An employee who is subpoenaed for court appearance and is not the plaintiff or defendant, will be paid for such time lost in the same manner as outlined above for jury duty. If an employee is excused from jury service more than five (5) hours after the applicable start time of the first shift employee or less than three and one-half hours prior to the applicable start time of the second shift employee, he will not be required to return to work that day. A third shift employee will be excused from work on either the shift immediately preceding the start of his jury service, or the shift immediately following the completion of his jury service. This is at the option of the employee, however, he must notify his immediate supervisor prior to being absent, and it is not for both the day preceding jury service and the day following jury service.

### **Section 8. Bereavement Pay.**

- A. When death occurs in an employee's immediate family: spouse, child, parent, step-parent, brother, sister, half brother, half sister, current spouse's parent, grandparent, current spouse's grandparent, grandchild, adopted child, stepchild, or a still born child, brother-in-law, sister-in-law, an employee, on request, will be excused for any three (3) normally scheduled days of work (or for such fewer days as the employee may be absent) during the three (3) days (excluding Saturdays and Sundays) immediately following the date of death, provided he attends the funeral. In the event of a memorial service or delayed funeral, the requested days off (for which an employee meets the qualifications under this Article) need not be consecutive but must not extend beyond the day following such memorial service or funeral. A Sunday funeral which is held at a distant location where travel may be required on Monday, will be treated the same as a delayed funeral and such Monday travel day will be considered as an excused day.
- B. When death occurs to the following relatives of an employee: son-in-law or daughter-in-law, the employee, on request, will be excused from work during the day of the funeral, provided he attends the funeral.
- C. After making written application, the employee shall receive pay for any scheduled days of work for which he is excused (excluding Saturdays and Sundays, or in the case of 7-day operations, the sixth and seventh days of the employee's

scheduled workweek), provided he attends the funeral. Payment shall be made at the employee's average hourly straight-time earnings (including shift premium) for the pay period immediately prior to such bereavement leave. Time thus paid will not be counted as hours worked for purposes of overtime.

## **Section 9. Unenforceable Provisions.**

In the event that any of the provisions of this Agreement shall be or become invalid or unenforceable by reason of any federal or state law or regulations now existing or hereinafter enacted, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.

## **Section 10. Scope of Agreement.**

This Agreement disposes of any and all bargaining issues, whether or not presented during negotiations, except with respect to the processing of grievances as provided in Article VII, and shall remain in full force and effect without further change until the expiration thereof.

## **Section 11. Mutual Interests.**

For the purpose of promoting the mutual interests of both parties and with a view toward bringing about a better understanding with our people and more harmonious relations between the Company and the Union, the Company agrees that before instituting (implementing) any changes affecting the hours and working conditions of its employees, it will notify the Union (in writing where appropriate) except in those situations such as emergencies where time does not permit. In all cases, however, the Company will discuss and explain the reasons necessitating such changes. Nothing in this section is intended to add to or take away any of the rights that accrue to either party under the other sections of this Agreement.

## ARTICLE XV TERMINATION

This Agreement (including both Central and Local understandings) shall continue in full force and effect through May 2, 2004 and thereafter from year to year unless sixty (60) days prior to such date either party gives notice in writing of a desire to terminate this Agreement.

INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL IMPLEMENT  
WORKERS OF AMERICA

CASE CORPORATION

By: Richard Shoemaker  
Paul Korwan  
James Beardsley  
James R. Atwood  
Jack Reese  
Dennis Williams  
Ray Guiley  
Joseph Kirfield  
Bill Bowling  
John Collings  
Renee Turner-Bailey  
Ron Blum  
Joe Blackpool  
Leonard Paga  
John Snow  
Karl Mantyla  
Chuck James

By: Marc Castor  
Paul Crist  
Tom Graham  
Tim Hess  
Dan Hansen  
Jim Graunweis  
Todd Spratts  
Julie Tennie  
Judy Lejeand

LOCAL UNION NO. 152  
(Burr Ridge)

By: Rick Oldham  
Ralph Ganto

BURR RIDGE

By: Lee Webster

LOCAL UNION NO. 180  
(Racine)

By: Pat McManaway  
Richard Tremmel  
Vic Oseaux

RACINE

By: Doug Talbott  
Tom Rodgers  
Julie Cook  
Brian French

LOCAL UNION NO. 807  
(Burlington)

By: Weynie Basquin  
Mike Schramm

BURLINGTON

By: Bob Hamrick

LOCAL UNION NO. 1204

(East Moline)  
By: Dean Price  
Vigil Quynen  
Bill Hess

(LOCAL UNION, 1306  
(East Moline)  
By: Gaylord Vogler  
Mike Andrews

EAST MOLINE  
By: Chip Nelson  
Larry Hamm

EAST MOLINE  
By: Chip Nelson  
Larry Hamm



# EMPLOYEES HIRED BEFORE 5/14/98

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# **CENTRAL AGREEMENT**

THIS AGREEMENT is made and entered into this 14th day of May 1998, by and between CASE CORPORATION (hereinafter referred to as the "Company"), or its successor, and INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AND ITS LOCAL UNIONS NOS. 180, 807, 1304, 1308 and 152 (hereinafter referred to as the "Union").

## **ARTICLE I RECOGNITION**

- A. (Local Supplement)
- B. The Company recognizes the Union as the exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, and other conditions of employment for the production and maintenance employees in the appropriate bargaining units described in the Local Supplemental Agreements (hereinafter referred to as "Local Agreement") between the Company and the Union.
- C. Where there is any conflict between a provision of the Local Agreement and a provision of the Central Agreement, the provision of the Central Agreement shall prevail.

## **ARTICLE II NO DISCRIMINATION**

The Company and the Union agree that neither will discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, religion, disability, or age in violation of the applicable laws intended to prevent such discrimination. Further the Company and the Union agree to comply with the pertinent provisions of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans Readjustment System Act of 1974, as amended, and the applicable executive orders governing discrimination in employment. Consistent with the terms of this Agreement, the Company and the Union subscribe to the principles

of affirmative action to encourage the employment of minority group applicants and assure that employees are treated during employment without regard to their race, creed, color, sex, national origin, religion, disability, or age.

Whenever a reference to male gender appears in this Agreement, it is understood that such language is nonrestrictive and is intended to include females.

The Company and the Union agree that they will comply with pertinent provisions of the Americans with Disabilities Act. Accordingly, when an issue arises under the ADA the parties agree to meet and cooperate in resolving the issue consistent with the ADA.

## **ARTICLE III UNION SECURITY**

### **Section 1. Union Shop.**

This Article shall be construed and compiled with in conformity with and subject to all federal and state laws having a bearing on the subject matter hereof.

- A. An employee in the bargaining unit who is a member of the Union in good standing on the effective date of this Agreement shall commencing thirty (30) days thereafter maintain his membership in the Union for the duration of this Agreement as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution), and the current periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- B. An employee in the bargaining unit on the effective date of this Agreement who is not a member of the Union on the effective date of this Agreement shall be required to become a member within ten (10) days after the thirtieth (30th) day following their date of employment. Employees required to join the Union under this subsection shall maintain their membership as a condition of employment to the extent of paying an initiation fee (if due and owing under the International Union Constitution) and the current periodic dues uniformly required as a condition of retaining membership in the Union.

- C. The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the initiation fee and the periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.
- D. "Member of the Union in good standing" as used in A and B above means any employee who is a member of the Union and is not more than thirty (30) days in arrears in the payment of periodic dues.
- E. Initiation fees for membership in the Union shall not exceed the amount prescribed by the Constitution of the International Union at the time the employee becomes a member.

## **Section 2. Payroll Deduction of Union Dues.**

- A. For the duration of this Agreement and subject to the applicable federal and state laws and the provisions of this Section 2, the Company agrees to deduct from the wages earned and pay over to the Local Union the Union membership dues of all employees within the bargaining unit who are members of the Union and who in writing authorize and request the Company to do so in accordance with the provisions of this section. "Union membership dues", as used herein, means the employees' periodic dues and initiation fees, if any. Should the Local Union later certify to the Company that the amount due as periodic Union dues has been changed, the Company shall deduct and remit in accordance with such certification. The Local Union will keep the Company informed of the proper amounts to be deducted in each case.
- B. Employees who desire to authorize and request the Company to make such deductions and payment of their Union membership dues shall use the form attached hereto as Exhibit No. 1 and entitled "Authorization for Check-off of Dues."
- C. The deduction of Union membership dues shall be deducted from the wages and/or SUB Benefits of each employee upon properly filling out and signing the Authorization for Check-Off of Dues Form. Union dues will be deducted for the current month and promptly remitted to the financial secretary of the Local Union, UAW. At the time of such remittance to the financial secretary, the Company shall submit the names of the employees from whose pay the deductions are made and the

amounts deducted in each case. At the beginning of each month the Company will provide to the financial secretary of the Local Union a list of employees hired, terminated, and on leave of absence. The dues deduction shall be calculated on the wages earned during the first full pay period of the month and deducted from the earnings of the second pay period, which is paid the third week of the month. If the earnings are not sufficient to pay the dues deduction in said second pay period, the deduction will be made the next pay period in which the earnings are sufficient. Provisions covering Union dues deduction relating to Supplemental Unemployment Benefits are covered in the Supplemental Unemployment Benefits Plan. The Company will furnish at the end of each year a statement to the employees showing the total amount of Union dues deducted for the year.

(Local Supplement - Local 180)

- D. The Union shall indemnify and save the Company harmless against any form of liability that shall arise out of any action taken by the Company in reliance upon employee payroll deduction authorization forms submitted to the Company by the Union.

### **Section 3. Introduction of New Employees.**

To facilitate the administration of this Agreement, the supervisor will introduce an employee who is new in the department or shift, to the appropriate department steward. If the steward is present this will be done the first day the employee is in the department.

## **ARTICLE IV FUNCTIONS OF MANAGEMENT**

It is agreed that the Company retains the sole right to manage the affairs of the business and to direct the working forces of the Company. Such functions of management include (but are not limited to) the right to:

- (1) Determine the methods, products, and schedules of production, locations of production, the type of

manufacturing equipment and the sequences of manufacturing processes.

- (2) Determine the basis for selection, retention and promotion of employees for occupations not within the bargaining unit established in this Agreement.
- (3) Maintain the discipline of employees including the right to make reasonable rules and regulations for the purpose of efficiency, safe practices and discipline. Such rules and regulations shall be published.
- (4) Direct generally the work of the employees including the right to hire, discharge, suspend or otherwise discipline employees for good cause, to promote, demote, or transfer employees, to assign them to shifts, to determine the volume of production and to lay them off because of lack of work or for any other legitimate reason.

All of the foregoing is subject to the terms and conditions of this Agreement.

## **ARTICLE V**

### **NO STRIKES OR LOCKOUTS**

#### **Section 1. No Strikes.**

During the life of this Agreement, the Union shall not cause or support, nor shall any employee or employees take part in, any action against the Company such as a strike, intentional slowdown of production, or any other interference with or stoppage of the Company's work. The Company shall not conduct a lockout during the term of this Agreement.

#### **Section 2. Special Exception to No-strike Clause.**

- A. The provisions of Section 1 shall not apply in the case of grievances involving a specific new or changed incentive standard, or a specific new or changed hourly classification, if the following procedures have been complied with:

- (1)(a) Grievances involving a specific new or changed incentive standard or a specific new or changed hourly classification have been processed according to the



grievance procedure and have been appealed to arbitration within the time limits provided in this Agreement.

- (1)(b) Disputes referred to Step 3 as provided for in the CClCS Plan Process and Implementation Letter of Understanding which have been processed according to the grievance procedure and have been appealed to arbitration within the time limits provided in this Agreement.
- (2) The International Union has filed with the Company a notice signed by an officer to the effect that the Union is withdrawing the grievances from arbitration and declining to arbitrate the issue in dispute.
- (3) A notice has been posted in the plant or plants of the bargaining unit involved on the Union bulletin board for a period of five (5) working days describing the issue in dispute in the grievances, stating that the issue has been withdrawn from arbitration and advising the employees that a vote by secret ballot will be held to determine whether or not there shall be a strike of all employees in said bargaining unit over the issue involved in the dispute in said grievances.
- (4) The Local Union in a notice from the president of the Local Bargaining Unit has advised the Company in writing that the Local Union has advised its membership that the grievances have been withdrawn from arbitration and that the membership by a majority vote has authorized a strike.
- (5) The International Union had advised the Company by written notice that the International Union has authorized a strike of all employees in the bargaining unit.
- (6) The strike does not begin within ten (10) days following the giving of the last notices, that is, by the International or Local Union provided in (3), (4), and (5). During this ten (10) day period or any mutually agreed upon extension thereof, an earnest effort shall be made by both parties to settle the dispute. If no settlement has

been reached by the end of the ten (10) day period or the end of any mutually extended period, the Union shall, within fifteen (15) days, call a strike on the grievances or the grievances shall be deemed settled on the basis of the Company's answer.

- (7) In the event a strike permitted under this section does take place, it shall not take the form of a sit-down, stay-in, or limited strike, but shall be a general strike requiring all employees represented by the Union in the bargaining unit involved to leave the plant or plants involved. No grievances, disputes, or demands other than the particular issue of the grievances involved, shall be presented by the Union or discussed during such strike period.
- (8) The provisions of this Section shall be strictly followed or the provisions of Section 1 shall apply.

## **ARTICLE VI UNION REPRESENTATION**

### **Section 1. Bargaining Committee.**

(Local Supplement)

### **Section 2. Meetings with Bargaining Committee.**

- A. Regular meetings between the bargaining committee and the Company will be held on Thursday of each week (at a time agreed upon locally) provided the Union has submitted a written agenda to the Company by twelve (12) noon on the previous Tuesday. The agenda will consist of grievances which have been appealed to Step 3 of the grievance procedure and other matters of mutual interest which the Union wishes to discuss at these regular meetings.
- B. Special meetings for emergency matters may be arranged between the bargaining committee and the Company. Such arrangements shall be made in advance by presenting to the

Human Resources Department a request for such a meeting, stating the matter to be discussed at such emergency meetings.

- C. Not to exceed three (3) non-employee Union representatives may participate in such regular or special meetings.

### **Section 3. Stewards.**

(Local Supplement)

### **Section 4. Union Business During Working Hours.**

- A. Subject to the exception in Article X, Section 2, members of the bargaining committee and the stewards may leave their work to conduct Union business during working hours for the purposes of the handling of grievances or to attend a regular or special meeting between the Company and the Union, and then only after notifying their supervisor. In the absence of the supervisor from the department, the steward or member of the bargaining committee will notify the next level of supervision, or his designee.
- B. Stewards, or members of the bargaining committee, investigating grievances shall inform their supervisor as to what department they desire to visit and upon entering such department shall notify the supervisor of that department of their presence and purpose. Other Union representatives shall at no time leave their work to participate in Union business, except as provided in Article X, Section 2.

### **Section 5. List of Union and Company Representatives.**

- A. The Union will present in writing to the Human Resources Department the names of the bargaining committee, stewards, and alternate stewards by districts. The Union shall inform the Company promptly of any change in Union representation.
- B. The Company will present in writing to the Union a list of the appropriate management personnel who will discuss grievances in Steps 1 and 2, and will inform the Union promptly of any changes in this list.

## **ARTICLE VII GRIEVANCE PROCEDURE**

### **Section 1. Definition.**

The term "grievance" as used herein shall mean a complaint subject to interpretation or application to this Agreement. Grievances of a general nature, and involving matters which are outside the jurisdiction of the supervisor, will be known as policy grievances and may be presented in Step 3. Any settlement of a policy grievance shall be reduced to writing and signed by both parties.

### **Section 2. Grievance Steps.**

Prior to the formal procedure every reasonable effort will be made by the supervisor, steward, and employee to satisfactorily settle the grievance.

An employee desiring to have the Union take up his grievance may contact his steward and the grievance will then be processed in the following manner:

**STEP 1:** If the grievance is such that the supervisor cannot settle it satisfactorily at the time of presentation it shall be reduced to writing on forms provided for this purpose by the Company and presented to the supervisor. This written grievance shall be signed by the aggrieved employee (if he is available) and the steward of the department. The supervisor will give his answer to such grievance, in writing, by the end of two (2) working days from the receipt of the written grievance. In the event the supervisor does not give his answer by the end of the two (2) working days, as specified above, the grievance will automatically be passed on to the next step.

**STEP 2:** The supervisor's decision will be considered final, unless within five (5) working days of the supervisor's answer the grievance is presented by the bargaining committeeman (who may be accompanied by the

steward of the aggrieved), to the next level of supervision in the area in which the grievance originated, or his designated representative. Said Company representative, will submit his written answer to the grievance within five (5) working days after the date of presentation to him. In the event this Company representative does not submit his answer within five (5) working days, the grievance will automatically be passed on to the next step.

- STEP 3:** The decision of the next higher level of supervision will be considered final unless within five (5) working days of this answer the grievance is presented in writing to the Human Resources Department with a request that it be placed on the agenda for the next regular meeting between the bargaining committee and the Company, at which meeting a further effort will be made to settle the grievance.

Prior to the third step meeting a joint investigation will be conducted upon the request of either party. The parties will exchange and update any relevant information concerning the grievance, and attempt to agree upon operative facts and clarify any issues for the third step meeting.

The Company will advise the Union of its disposition of the grievance within five (5) working days of said meeting.

### **Section 3. Arbitration.**

- A. The Company's answer provided in Step 3 shall be considered final unless within ten (10) working days after receipt of the Company's final answer the chairman of the local Union bargaining committee requests in writing that the grievance be submitted to an impartial arbitrator in accordance with paragraphs C and D below. Such a request shall be submitted to the Director of North American Labor Relations. At any mutually convenient time, the International Representative from the UAW - Case Department or his Representative, will meet at the plant location with the Vice President of Corporate Relations or his representative to discuss a possible settlement of the grievance(s). Those grievances settled will be answered in

writing by the Company. Those grievances remaining unsettled will be placed on the arbitration docket at the meeting. The Company and the Union agree with the principle that grievances at each location will be scheduled for arbitration and arbitrated in the order filed (i.e. date written grievance filed). Extraordinary cases may be advanced out of this order by mutual agreement of the parties at this meeting.

- B. The arbitration docket agreed to in the meeting of this Section 3 A will be the basis for the Director, North American Labor Relations and the UAW - Case Department to select and schedule arbitrators and arbitration dates in accordance with paragraphs C and D below within the next ten (10) day period following the meeting. This procedure also applies to grievances involving individual discharge cases which may be processed under the provisions of ARTICLE VII, Section 8 - Special Discharge Arbitration. Those grievances not assigned to arbitration at this meeting will be considered settled on the basis of the Company's last answer.
- C. The parties have, upon the execution of this Agreement (in a separate Letter of Understanding), agreed upon a panel of seven (7) permanent arbitrators who shall have referred to them any grievances appealed to arbitration. The Union, at the time it gives its written request to arbitrate under B above, shall suggest the name of one (1) of the seven (7) permanent arbitrators, and if the Company does not oppose the suggestion within twenty-four (24) hours, then the named arbitrator shall be selected. If the Company does oppose, then it shall name two (2) of the seven (7) arbitrators who would be acceptable to it within the above noted time. Then the Union, within twenty-four (24) hours, shall pick one (1) arbitrator from the two (2) thus named; the arbitrator picked by the Union shall be considered selected.
- D. The arbitrator selected shall be immediately notified so that a hearing date may be set for the earliest possible time. Every effort must be made by the parties to act in an expeditious fashion to process an arbitration appeal. If the arbitrator selected is not available to schedule a prompt hearing date, then the selection procedure, under C above, shall be repeated immediately and a new arbitrator selected.
- E. The Company and the Union shall each bear one-half (1/2) the cost of the fees and expenses of the impartial arbitrator.

If a transcript is taken at the arbitration hearing, a copy of the transcript will be furnished the Union at no cost. The Company will pay for one (1) union witness (not including the grievant) directly related to the case for the time actually lost from work to testify at the hearing. The employee will be compensated at his applicable rate.

- F. The functions and jurisdiction of the impartial arbitrator shall be fixed and limited by this Agreement and he shall have no power to change, add to, or delete from its terms. He shall have jurisdiction only to determine issues involving the interpretation or application of this Agreement; and any matter coming before the impartial arbitrator which is not within his jurisdiction as herein defined shall be returned to the parties without decision or recommendation. In the event any disciplinary action (including reprimands) taken by the Company is made the subject of an arbitration proceeding, the arbitration proceeding, the arbitrator's authority shall, in addition to the limitation set forth herein, be limited to the determination of the question of whether the employee involved had been disciplined for proper cause, except that if the arbitrator finds that the penalty assessed by the Company is inappropriate for the offense or offenses committed, he may modify that penalty.
- G. If an insurance issue involving medical findings is not resolved in the insurance review under ARTICLE XIV, Section 4.B, then either party may request at the 3rd step meeting that the issue be submitted to a third physician for an opinion. The parties will mutually agree to a 3rd physician for a referral examination of fact, tests, and consultation as he may feel necessary. The 3rd physician will be provided with all relevant medical documentation from previous examining physicians. The function and jurisdiction of the 3rd physician shall be strictly limited to issuing his written opinion containing his medical findings which resolves the dispute between the 1st and 2nd physicians on that medical issue. The 3rd physician shall have no power or authority to issue any opinion which interprets this contract or insurance agreements or which relates to the application of such documents. For this limited purpose the 3rd physician shall be deemed to be an arbitrator and his medical findings shall be enforceable under the Uniform Arbitration Act or other relevant statute. Issues of contract interpretation or application arising out of or relating to the 3rd physician's medical findings shall be submitted to one of the arbitrators on the permanent panel. The expenses of the 3rd physician, including tests, etc., will be shared equally by the parties.

- H. The decision of the arbitrator shall be final and binding on the Company, the Union, and the employee or employees involved.

#### **Section 4. Time Limits and Employee Attendance.**

The time limits for the Union representatives to appeal and the Company representatives to answer may be extended by agreement in writing. Either party may require the presence of the aggrieved employee at any step of the grievance procedure.

#### **Section 5. Company Pay for Union Time.**

- A. Union representatives will be paid for working time lost processing grievances as follows:

- (1) Working time lost by the stewards and bargaining committeemen investigating and discussing grievances in Steps 1 and 2 of the grievance procedure will be paid at their appropriate hourly rate, schedule A or C, or 115% of Schedule B as applicable but not to exceed four (4) hours per week for each steward or fourteen (14) hours per week for each bargaining committeeman. Upon conversion, Schedule B employees will receive the CCICS rate, and Schedule A or C will receive the Non-CCICS/Indirect or Non-CCICS rate respectively. (Local Supplements - Local 160, Local 152, Local 1304)

Local Union president and chairman of the bargaining committee up to forty (40) hours per week. (Local supplement - Local 152)

The steward, area committeeman, and the chairman of the bargaining committee or president of the Local, shall have the right to confer with each other in any step of the grievance procedure, within the bounds of these hours.

- (2) In Step 3 of the grievance procedure, the members of the bargaining committee shall be paid at their hourly rate, Schedules A or C, or 115% of Schedule B as applicable for working time lost by them in such meetings. Upon conversion, Schedule B employees will receive the CCICS rate, and Schedule A or C will receive the Non-CCICS/Indirect or Non-CCICS rate respectively.



- (3) Union representatives called away from their work to attend a meeting with the Company which is scheduled by the Company, shall be paid at their hourly rate, Schedules A or C or 115% of Schedule B as applicable for working time lost by them in such meetings. Upon conversion, Schedule B employees will receive the CCICS rate, and Schedule A or C will receive the Non-CCICS/Indirector Non-CCICS rate respectively.
- B. *Safety Committee - Provide up to forty (40) hours per month of pay to the Chairman of the Local Union Safety Committee and up to eight (8) hours per month of pay to the other members of the Local Union Safety Committee for lost working time. If additional time is needed at an individual facility, the time shall be approved by appropriate representatives of the Union and the Company.*
- C. *EEO Committee (two) - Provide up to two (2) hours quarterly for working time lost in EEO meetings.*
- EEO Chairman - Provide pay for Company called meetings.*
- D. *Insurance Representative (one) - Provide up to six (6) hours per week, plus scheduled meetings under special insurance meeting letter. (Local 807 and Local 180)*
- E. *In all situations, involving the above committees, where meetings are requested by the Company, in addition to the normal meetings, payment will be made by the Company for working time lost at the applicable Schedule A, C, or 115% of Schedule B (Incentive base rate). Upon conversion, Schedule B employees will receive the CCICS rate, and Schedule A or C will receive the Non-CCICS/Indirector Non-CCICS rate respectively.*
- F. *The Company agrees to pay recognized Union Work Standards Representatives for time which they lose from their work in making joint studies, in analyzing the data and for time spent in the Incentive Standards Grievance Procedure for a maximum of eighty (80) hours over each four (4) week period during the term of this Agreement.*

*This time shall be paid at the employee's Schedule "A" rate or 115% of his incentive base rate or the appropriate CCICS rate, as applicable. All time spent in excess of the eighty (80) hours over the four (4) week period shall be paid for by the Union.*

## **Section 6. Plant Visitation.**

International Union representatives, not to exceed three (3) who wish to visit the plant because of a grievance which is in Step 2 or 3 of the grievance procedure, or has been appealed to arbitration, will make such request to the Human Resources Manager who will make arrangements for such visitation.

## **Section 7. Expedited Arbitration Procedure.**

In the event of an alleged violation of Article V hereunder, the issue arising therefrom may be submitted immediately to one (1) of the permanent arbitrators (referred to in Section 3 above) and heard by said arbitrator within twenty-four (24) hours (or as promptly thereafter as possible) after the occurrence of the alleged violation. If the arbitrator finds that the Agreement has been violated, he shall order that the party or persons in violation cease and desist from such conduct and said order shall be in writing and shall be issued at the conclusion of the arbitration hearing. Utilization of this procedure by the Company or the Union is purely discretionary and its employment shall not operate as a condition upon either the Company's or the Union's resort to other contractual, administrative or judicial remedies. The party initiating the expedited arbitration procedure hereunder shall bear the full cost of the fees and expenses of the impartial arbitrator.

## **Section 8. Special Discharge Arbitration.**

- A. The foregoing provisions of this Central Agreement are amended to the extent necessary to provide for a grievance involving an individual discharge case.
- B. Within sixty (60) days from the signing of this Agreement, the Director of North American Labor Relations and the UAW - Case Department will confer and select a permanent arbitrator from the panel to be appointed as special arbitrator for discharge cases only. The arbitrator selected will be contacted and

arrangements made for priority availability and will be referred to as the special arbitrator for discharge cases. The special arbitrator will serve in such capacity for the duration of this Agreement except that either party may request a change of special arbitrator by giving written notice to the other within the thirty (30) to sixty (60) days period preceding any July 1 of this Agreement. In the event notice is given or the special arbitrator resigns his position at any time the parties will confer as stated above and agree and arrange for another arbitrator from the panel to assume this position. Any discharge grievance which the parties mutually agree to process through this special arbitration procedure will be referred to the "special arbitrator for discharge cases."

- C. Any discharge grievance referred to the special arbitration procedure during the meeting outlined in ARTICLE VII, Section 3, paragraph A, will be scheduled for hearing as soon as possible during the next forty-five (45) days immediately following such meeting. Post hearing briefs will be filed within ten (10) days following the conclusion of the hearing. The arbitrator will render a written award with full opinion within ten (10) days following receipt of the briefs, unless both parties mutually agree to an extension of time beyond the ten (10) days.
- D. One copy of the transcript, if any, of a special discharge arbitration will be furnished to the Union at no cost. The Company will pay any fee necessary to retain the arbitrator selected under paragraph B above. The Company and the Union shall bear one-half (1/2) the cost of all other fees and expenses of the impartial arbitrator.

## **ARTICLE VIII DISCIPLINE AND DISCHARGE**

- A. An employee will not be suspended, discharged, or reprimanded except for good cause. Where a supervisor's report is issued in the case of suspension or discharge the steward shall be made available to the employee to witness the issuance of the discipline.
- B. If the matter involves suspension or discharge, the supervisor will, if requested, immediately discuss the matter with the

steward, area committeeman if in the plant (or in his absence an available committeeman), and the employee. In the absence of the steward, the alternate steward will be made available. Where the discharge or suspension involves discipline for tardiness, absenteeism, low efficiency, or poor workmanship the employee, upon filing a grievance, will not be required to leave the plant until the emergency meeting in C below has been held.

- C. If a grievance is filed on a suspension or discharge, it will be handled as an emergency matter in a special meeting to be held within two (2) working days after the filing of such grievance. This meeting may be attended by three (3) Company representatives and three (3) Union representatives or pertinent witnesses. The subsequent Company response shall constitute the third step answer.
- D. Copies of written reprimands including disciplinary action will be given to the employee at the time of such reprimand or discipline with a copy to the steward. A copy will also be sent to the Union.
- E. In imposing discipline on a current charge, the Company will not take into account any reprimand which was issued more than two (2) years previously.
- F. Disciplinary layoffs or suspensions shall not affect an employee's qualification for holiday pay.

## **ARTICLE IX SENIORITY**

### **Section 1. Definition.**

Seniority is an employee's length of service with the Company at each respective bargaining unit from his last hiring date in said bargaining unit. The seniority of an employee who was hired into a job outside a bargaining unit and then transferred into that bargaining unit, will date from the date of his transfer into that bargaining unit.

## **Section 2. Probationary Employees.**

A newly hired or rehired employee shall be considered an employee on probation for a period of sixty (60) calendar days, which must be completed within twelve (12) months. This period is intended to give the Company an opportunity to evaluate the new employee's suitability and his work performance, and his termination for reasons related to suitability and work performance is entirely within the discretion of the Company. An employee retained beyond the probationary period shall acquire seniority in the department in which he completed his probationary period, and his seniority will date back to his hiring date.

## **Section 3. Transfers out of Bargaining Unit.**

Employees who prior to January 1, 1967, were transferred out of the bargaining unit shall, when returning, receive seniority credit for all their service with the Company including their service outside of the bargaining unit. Employees transferred out of the bargaining unit after December 31, 1966, and subsequently transferred back into the bargaining unit, shall receive seniority credit only for the time worked in the bargaining unit except as provided in the following paragraph:

Any such employee(s), upon returning to the bargaining unit, shall be placed in any vacancy (that has cleared the posting procedure) in the last classification and seniority unit in which he worked just prior to leaving the bargaining unit. If no such vacancy (that has cleared the posting procedure) exists in the classification, then said employee(s), upon returning to the bargaining unit, shall displace any probationary employee(s) then working in the seniority unit or the least senior employee(s) in the seniority unit.

Employees transferred out of the Local Union Nos. 1304 and/or 1306 bargaining units after May 31, 1965, and subsequently transferred back into the bargaining unit shall receive seniority credit only for the time worked in the bargaining unit. Employees transferred out prior to May 31, 1965 shall not return to the bargaining unit.

After the effective date of the Agreement dated July 31, 1971, an employee(s) who transfers out of the bargaining unit and subsequently returns to the unit will upon return to the bargaining unit, be placed in any vacancy (that has cleared the posting procedure) in the last classification in the seniority unit in which he worked just prior to leaving the bargaining unit, if no such vacancy

(that has cleared the posting procedure) exists, he shall displace the least senior employee in the plant, provided he has the seniority to warrant him the classification, which will become his recallable classification. (Local Union No. 152 Supplement.)

#### **Section 4. Termination of Seniority.**

An employee's seniority shall be terminated for any one of the following reasons:

- (1) If he quits.
- (2) If he is discharged for good cause.
- (3) If he is absent for more than three (3) consecutive working days without properly notifying the Company, unless circumstances make it impossible to do so.
- (4) If he fails to report to the Employment Office within three (3) consecutive working days in response to a recall notice, unless circumstances make it impossible to do so. Recall notice by registered mail, return receipt requested, will be mailed to the employee's last address on record at the plant. The Company shall be entitled to rely upon the last address on record, and it shall be the employee's responsibility to immediately notify the Employment Office of any change of address by mail or in person.
- (5) If he fails to report for work upon termination of any leave of absence, unless circumstances make it impossible to do so.
- (6) If he is laid off for a period of time equal to or greater than his length of service, provided his seniority shall be retained for a minimum of two (2) years.
- (7) If he is absent due to sickness or nonoccupational injury for five (5) years (except for periods of time covered by the provisions of the Accident and Sickness Plan and/or provisions of the Long Term Disability Plan); or
- (8) If he is retired under a Company pension plan.

## **Section 5. Layoffs.**

(Local Supplement)

## **Section 6. Recalls.**

(Local Supplement)

## **Section 7. Ability to Perform the Work.**

- A. "Ability to perform the work" means, first, that the Company's records or that the employee's mechanical or other appropriate adaptability, judged on the basis of his experiences, as made known to the Company, indicates the reasonable certainty that the employee can competently perform the work in question; and, second, that the employee demonstrates in actual performance of the work his ability to perform the work competently.

The Company will make available to each employee the opportunity to update his personnel records on a form provided by the Company, with information concerning acquired experience, schooling, training and skills that would assist in future employee placement (Local Supplement - Local 180).

- B. In administering the preceding paragraph, in cases of reductions in the work force and recalls, the Company will follow the following procedure:
- (1) Where the Company's records or an employee's background as made known to the Company indicate that he can do the work in question with a "break-in" period, he will be allowed such a break-in period.
  - (2) With respect to the plantwide pool and "entrance" jobs only, it is agreed that any employee who has the necessary physical qualifications is qualified to perform the plantwide pool and "entrance" jobs. (This paragraph (2) does not apply to local 807).
  - (3) A "break-in" period shall be of reasonable duration (depending on the complexity of the work) but shall be not less than five (5) days. It shall include allowing the

employee to become acquainted with the peculiarities of the work in question for the purpose of orientation, but shall not include training him to do the work.

- (4) If at the end of the "break-in" period the employee has not reached an acceptable level of performance, he shall be deemed not to have the "ability to do the work." The steward will be informed in writing of the employees' lack of progress.

## **Section 8. Permanent Transfers.**

- A. If departments or classifications or teams (consisting of a classification or a group of classifications) are permanently discontinued, employees will be offered other work in accordance with the layoff procedure.
- B. If a machine is transferred from one team or department, or moved within the same team or department, and the work associated therewith can clearly be identified to an employee(s) in the team or department, then the employee(s) whose machine is being transferred, or replaced, shall be given the option of transferring to the new team or department, or moving within the team or department. If the employee declines transfer, the remaining employees in the classification within the team in the department in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the team. (Local 807 Supplement).
- C. If a majority of a job is transferred from one team or department to another, and the work associated therewith can clearly be identified to an employee(s) in the team or department, then the employee(s) whose job is being transferred shall be given the option of transferring to the new team or department. If the employee declines transfer, the remaining employees in the classification within the team in the department in seniority order shall be offered the transfer. If no one accepts the transfer, the Company may transfer the employee(s) with the least seniority in the classification within the team. (Locals 180, 807, and 1304 Supplements).
- D. In those instances where the transfer of work involves a Union steward or area committeeman who is the only employee in a team or classification, such employee at their option may



remain in their area of representation conditioned upon ability to perform the work beginning by displacing the least senior employee in the area they represent.

## **Section 9. Promotions.**

(Local Supplement)

## **Section 10. Preferential Assignments to Light Work.**

Employees who by reason of physical disability are unable to handle their regular assigned classifications to advantage shall be given preference on any available work. Available work shall be defined as work to which no one has recall rights. If no work is available, the employee will be treated as a reduction in force from his classification, and in line with his seniority and the provisions of the layoff procedure, he can use the bypass provisions to arrive at work that is suitable to his condition. This classification shall then become his recallable classification.

(Local Supplements - Local 180, 807, 1304 and 1306).

## **Section 11. Shift Preference.**

- A. Employees with the greatest seniority shall have preference of shifts in their classification and department. When shift preference is exercised, the employee with the least amount of seniority (on the shift preferred) in the same department and classification affected, shall be displaced.
- B. An exercise of shift preference may be delayed only when it would result in an imbalance between experienced and inexperienced workers to the extent that an operation could not continue to operate in the previously satisfactory manner. However, the request will be granted as soon as there is a qualified replacement.
- C. An employee may not exercise shift preference more than once each six (6) months. This limitation will not apply where an employee who has exercised shift preference as in A above is displaced by another employee exercising shift preference or curtailment of shift assignment prior to the completion of the six (6) months period.

## **Section 12. Notice of Layoff.**

Except for reasons of emergency, the Company will give at least three (3) days' notice prior to layoff to the employee affected. The Company will make every effort to notify the area committeeman in advance of such pending layoff, and provide him a list of the least senior employees in his area who may be removed from the plant. The employee's steward shall be informed of the layoff when this notice is given to the affected employee. The C.R.E.W. program is governed by its own rules.

## **Section 13. Seniority List.**

Each department in the plant shall post a separate seniority list which shall be updated monthly. The Local Union will be supplied with two copies of the seniority list for each department monthly. In the event a grievance arises concerning the accuracy of either list, all facts shall be made available to the Union representatives dealing with the grievance.

## **Section 14. Seniority Preference.**

*For the purpose of providing continued Union representation and for no other reason, stewards (or alternate stewards acting in the capacity of stewards), Union bargaining committeemen, and members of the Executive Board (not to exceed 11 members in total), UWSR, shall have seniority preference over all the employees they represent conditioned upon ability to perform the work. Such seniority preferences shall apply only to layoff and recall, except that stewards or Union bargaining committeemen or members of the Executive Board, as outlined above, shall not be removed from their shift through the exercise of shift preference by another employee. At the request of the Local Union, the Company will transfer members of the bargaining committee and/or members of the Executive Board, UWSR, to a particular shift. This member of the bargaining committee or Executive Board will displace the least senior employee in his classification and department on the shift requested. In the case of temporary layoff the steward and committeeman in the department, district or area will for representation purposes be the last employee laid off based upon the provisions of this section. \*See Letters of Understanding*

(Local Supplements 1304 & 1306)

## **Section 15. Corporate-wide Seniority.**

The following provisions apply only where plants represented by the UAW are involved.

Letter of Understanding- re Plant Closings

Letter of Understanding- re Retraining/Outplacement

Letter of Understanding- re Plant Preferential Seniority

Letter of Understanding- re Outsourcing

## **Section 16. Transfer of Seniority.**

In all cases of transfers in lieu of layoff, recalls, permanent transfers, or promotions, when an employee is moved or returned to a classification, department, or seniority unit pursuant to Sections 5, 6, 8, 9, or 10 above said employee's seniority shall be transferred immediately to the classification, department or seniority unit for purpose of seniority credit only.

## **Section 17. Skilled Trades.**

### **DEFINITIONS**

- A. A skilled tradesman shall mean any employee who is in a skilled trades classification as set forth in the Local Supplement.
- B. A skilled trades journeyman is any employee who:
  - (1) Has served a bonafide apprenticeship and has a certificate which substantiates his claim of such service, or
  - (2) Has eight (8) or more years of practical experience and can substantiate it with proper proof, or

- (3) Has a UAW journeyman's card, which shall be considered as presumptive proof of qualifications under (1) or (2) above, or
- (4) Has a journeyman's card from any other union which has apprenticeship standards comparable to the UAW.

An employee must provide proof to the satisfaction of the Company of his journeyman status prior to his date of entry into the skilled trades classification. This proof shall be reviewed with the Skilled Trades Committeeman prior to the employee's entry into the skilled trades classification.

- C. The list of skilled trades classifications recognized by the Company and the Union applicable to each location is set forth in the Local Supplement.

## SENIORITY

- D. Any further employment in the skilled trades classifications listed in the Local Supplement, after the signing of this agreement, shall be limited to journeymen and apprentices, unless otherwise agreed to by the Company and the Union (except as provided below).

Whenever it becomes necessary to increase the workforce in a non-apprenticeable classification and there are no journeymen available, the Company shall post the vacancies and select applicants in line with their seniority, providing they have the skill, ability, experience and physical fitness to properly perform the work of the job classification.

To be selected for transfer under the above provisions, an applicants' record of prior work experience, as previously made known to the Company, shall indicate that he possesses the necessary skill and ability to perform the work and can adapt to the vacant job.

## RATES OF PAY

- E. Maximum, minimum, and entry rates are listed in Schedule C, Hourly Rate Plan of this Agreement.

- (1) An employee(s) transferred or hired into a skilled trades classification, who does not qualify as a journeyman, will receive an entry rate (as provided in the Wage Schedules Hourly Rate Plan) for the classification to which he is transferred or hired.
- (2) Each six (6) months after such transfer or hire, he will receive one-half (computed to nearest full cent) of the difference between the entry rate and the minimum rate of his classification.
- (3) A journeyman hired into a skilled trades classification will be paid at least the minimum rate of his classification or more, based on the qualifications of the employee, as determined by the Company. An apprentice who graduates into one of the skilled trades classifications will receive the maximum rate of his classification.
- (4) At least once each six (6) months the appropriate supervisor will review the rate of an employee being paid less than the maximum rate of his classification and determine whether his progress merits an increase. The starting date for this interval shall be the date this agreement becomes effective or the date that an employee starts receiving the minimum rate. Increase increments will be one-third (computed to nearest full cent) of the difference between the minimum and maximum.
- (5) If an employee does not receive an increase under (4) above, he shall be given in writing by the Company a list of the skills in which he needs improvement to qualify him for an increase.
- (6) An employee who transfers or is reassigned to a skilled trades classification that he had previously held shall not be paid less than the rate level he had previously attained in that classification.
- (7) A journeyman who transfers under D above of this Section to another skilled trades classification will be paid at least the minimum rate of the classification.
- (8) If a skilled trades employee is eligible for, and elects to be placed on, the Master Recall List and is selected for an available position in the same classification at a different

location, the employee shall enter and be paid at the same relative rate level he had previously attained in that classification.

**F. Principles of Skilled Trades Work and Assignments**

In making job assignments, Management intends to respect basic differences between the trades and recognize the importance and prestige of its tradesmen. The Company cannot be put to a disadvantage by "multiple hair-splitting refinements and cumbersome and unreal distinctions." Indeed, the efficient operation of the Company's plants demand the full utilization of the talents of each trade.

Inherent in the work assignment to a skilled tradesman is incidental work. Incidental work will be accomplished by the tradesman assigned the principle job, providing the task is within the capabilities and can be performed safely by the principle tradesman.

## **ARTICLE X LEAVES OF ABSENCE**

### **Section 1. General.**

- A. Upon application, leaves of absence not to exceed ninety (90) days, except as provided in Section 2-A, 3 and 4 of this Article X, may be granted employees without loss of seniority in cases where good cause is shown. Such leaves may be renewed or extended where good cause is shown. It will not be necessary for employees to make formal application for leaves of absence for sickness, injury, or vacation.**
- B. Any employee who, while on leave of absence, uses such leave for any purpose other than that stated in the application for the leave, shall be deemed to have voluntarily quit.**
- C. A Company representative will make a written record of all requests for leaves of absence and of the decision concerning such requests, and the Union shall be furnished with a copy of same.**

- D. An employee who is on leave of absence and is qualified for vacation pay shall receive such pay.

## **Section 2. Union Activities.**

- A. Employees elected or appointed to a full-time Union job shall be granted a leave of absence and will accumulate seniority during that period; provided, however, that a formal application will be made as soon as the election or appointment is known to the employee involved. Such leaves of absence shall be granted to not more than five (5) employees at Racine (180) and East Moline (1304), four (4) at Burlington, four (4) at Burr Ridge, and one (1) at East Moline (1308) at any one time.
- B. Union representatives shall be granted leaves of absence for short periods to attend Union conventions, negotiation meetings, and similar functions related to performance of their office, and working time lost due to such absence shall count as time worked for holiday pay, vacations, credited pension service, and attendance bonus credits.
- C. Stewards, members of the Union bargaining committee, or Union officers, shall be granted time off without pay by the Company for the performance of Union duties related to the respective Local Union, whenever necessary. In addition, with two (2) weeks advanced notification and consistent with production requirements up to ten (10) designated union members at each location will be granted time off without pay for attendance at union sponsored summer school, not to exceed ten (10) working days per employee each year.

## **Section 3. Government Offices.**

- A. For the purpose of enabling employees to participate in the affairs of the government, the Company shall grant upon application, leaves of absence to employees who are elected to municipal, county, state or federal government positions, or appointed to fulltime positions with the state or federal government. The leave to fulfill such government office shall not exceed six (6) years.

- B. For employees who are running for office, the Company will grant a leave of absence not to exceed sixty (60) calendar days for the purpose of campaigning for election to municipal, county, state or federal government positions.

#### **Section 4. Armed Forces; Peace Corps.**

- A. Leaves of absence shall be granted employees who are drafted or volunteer into the Armed Forces of the United States. Such employees shall be accorded reinstatement rights in accordance with the Selective Service Act, as amended, upon release from service. In the case of veterans with service connected disability, such leaves may be extended for a period of up to five (5) years after discharge.
- B. In addition, an employee who is accepted for membership in the Peace Corps shall be granted the same privileges and shall be reemployed under the same circumstances as if he had entered the Armed Forces in accordance with subsection A above. This provision shall cover no more than one Peace Corps enlistment.
- C. An employee who has completed his probationary period and is attending summer encampment or annual reserve training as an obligation of service in the Armed Forces Reserves required by law will be reimbursed by the Company for a service period of not more than two weeks in any calendar year and for the amount by which the employee's service pay (not including expense money) is less than his normal company pay at his straight-time hourly earnings (including shift premium) for the last calendar quarter prior to such absence (plus current COLA and any applicable annual improvement factor). Such makeup pay will be calculated on a five (5)-day workweek basis. To obtain this reimbursement, the employee must submit proper evidence of his military pay for this period. The Company will not require that an employee take vacation when his summer encampment or reserve training falls during a scheduled inventory/vacation shutdown. If the employee does not schedule vacation during such occurrence he will be entitled to the make-up pay under this Subsection C, provided that the employee was actively working immediately prior to the inventory/vacation shutdown and would have been actively working during the shutdown period had the shutdown not occurred.



- D. In accordance with the requirements of C above and where an eligible employee is issued orders for temporary emergency duty as a National Guardsman, the Company will provide the make-up pay under the formula stated in C for up to a maximum of ten (10) working days lost in any calendar year. Temporary emergency duty must be at the call of the state or federal government for emergencies, such as, fire, flood, storm, civil disorder, and similar catastrophes.

## **Section 5. Maternity Leave.**

A leave of absence necessitated by disability due to pregnancy, childbirth, or related medical conditions will be granted to a female employee for the period of time the employee is medically unable to work. Employees on maternity leave will be eligible for the same benefits and terms of employment to which they would be eligible under any other approved leave due to certified medical disability. The employee's physician and the Company's physician will determine the initial date of disability and the expected date of recovery. The employee shall return to work on the expected date of recovery, except that this leave shall be extended by the Company upon written request of the employee, accompanied by a physician's letter which evidences medical necessity for continuation of the leave. In all cases, such employees will not be returned to work without prior approval of the Company physician.

## **Section 6. Educational Leave.**

- A. For the purpose of enabling an employee who has completed at least one year's service to pursue an educational program toward a college degree, the Company shall grant a leave of absence upon application of the employee. Such leave of absence shall not exceed one (1) year; however, this leave may be extended from year to year (for a maximum of five (5) consecutive years from the commencement date of the initial educational leave of absence) provided application is made prior to the expiration of such leave and the employee has not accepted full-time employment elsewhere. No extension will be granted until the employee shows proof of satisfactory grades. Subject to the same conditions outlined above, upon written request, an employee on educational leave may extend the period during which educational leave is taken to a maximum of six (6) years from the commencement date of the initial

educational leave of absence, which shall consist of not more than five (5) total years of leave time and not more than one (1) year of work time which must be taken during one (1) interruption of the educational leave. An employee may terminate his educational leave of absence thirty (30) days after notification to the Company of his intention to terminate the leave. In such cases, another educational leave will not be granted. An employee on educational leave shall be offered suitable summer or temporary employment when available, however, he may not exercise seniority to displace another employee during such periods. The employee hired for summer or temporary employment during such leave period will participate in Company benefits and be granted time off for military summer encampment without make up pay.

- B. For the purpose of enabling an employee who has at least one year's service to pursue an educational program toward a recognized, accredited certificate or associate degree at an accredited trade or technical school in a skill or trade commonly utilized and employed by the Company, an employee may be granted a leave of absence upon written application. Such leave of absence shall not exceed one (1) year; however, this leave may be extended up to one (1) additional consecutive year provided application is made prior to the expiration of such leave. Other rules as set forth in A above shall be applicable.

*Paid absence allowance time off will be prorated according to the following schedule:*

Hours Worked	Paid Absence Hours	
1280	(160 days or more)	40
960 to 1279	(120 days to 159 days)	28
640 to 959	(80 days to 119 days)	16
Up to 640	(Up to 80 days)	8

An employee who has elected to go on educational leave of absence upon returning from leave shall have the right to any open vacancy in a classification not filled per ARTICLE IX, Section 9, if any, or to replace the least senior employee in the plant in line with their seniority providing they have the skill and ability and physical fitness to perform the work of the classification.

## **Section 7. Family and Medical Leave**

- A. Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any calendar year. A husband and wife who both work for the Company will each be entitled to a maximum of twelve (12) weeks of qualifying leave. FMLA leave may be taken for any of the following reasons:**
- 1. Birth or adoption of a child, or the placement of a child for foster care;**
  - 2. To care for a spouse, child or parent of the employee due to a serious health condition;**
  - 3. A serious health condition of the employee.**
- B. An employee may elect to substitute for unpaid FMLA leave any accrued and unused vacation and/or use personal absence allowance. If an employee elects to substitute paid vacation during the FMLA leave and this results in the employee not having a sufficient amount of vacation during the contractually agreed upon vacation shutdown period, the Company may work the employee or lay them off without SUB for the period affected by the paid vacation substitution. Any period during which an employee receives disability benefits or worker's compensation benefits is treated as "paid leave" for purposes of this Section and counted against the employee's FMLA leave entitlement. If paid leave is substituted, the FMLA leave period is not extended. FMLA leave runs concurrently with any substituted paid leave period.**
- C. Time on FMLA leave will be considered in the same manner as time on medical leave for A&S purposes when determining hours worked or days worked for calculating certain benefits, including vacation entitlement, GSB or credited service calculations under applicable benefit plans. However, medical leave for worker's compensation, running concurrently with FMLA leave, will be credited for vacation purposes as provided for in Article XII, Section 1C and will also be counted for credited service to the extent provided for in the current Pension Agreement. Time on FMLA leave will not be considered hours worked for purposes of determining eligibility for additional FMLA leave.**

- D. Seniority will accrue during FMLA leaves subject to the same limitations as provided for seniority accumulation under Article IX and X.
- E. Subject to the other eligibility requirements in the Insurance Agreement, the Company will continue medical coverage, life and AD&D during the period of FMLA leaves as if they were medical leaves under the Central Agreement.
- F. The employee is required to provide the Company with at least thirty (30) days advance written notice before FMLA leave begins if the need for the leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable.
- G. The Company has the right to require medical certification of a need for leave under this Act. In addition, the Company has the right to require a second opinion at the Company's expense. If a medical dispute arises with the second opinion, a third opinion will be obtained under the provisions of Article VII, Section 3G (provided, however, that the Company will pay the cost of the third opinion for FMLA leave medical disputes occurring under this Section), which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence.
- H. Employees may request FMLA leave for time periods other than consecutive weeks when medically necessary. Such leaves may also be requested and approved, with the Company's agreement, in the case of the birth, adoption or foster placement of a child. In these circumstances, the Company may assign the employee as though he/she were a member of a Resource Pool, under the Job Security Program and/or adjust the employee's schedule to better accommodate the leave request or eliminate the need for using FMLA leave.
- I. The Company may adopt reasonable procedures in accordance with the FMLA, including periodic status reports and recertification of medical conditions while on leave. An employee's failure to follow these procedures or to fulfill his or her other obligations under this Section, including a failure to return to work as scheduled, will subject the employee to discipline.
- J. As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must provide

certification that he/she is medically qualified to perform the functions of his/her job.

- K. An employee returning from FMLA leave will be returned to their regular classification, seniority permitting. However, employees on FMLA leave have no greater right to reinstatement to any position than if they had remained on active status.
- L. Employees who choose not to return to employment from leave will have their health insurance terminated and will be required to repay any health insurance premium paid on their behalf during any period of unpaid leave.
- M. The provisions of this Section are in response to the federal FMLA. The Company shall grant an employee any greater benefits provided under any state or local law, provided the employee satisfies all eligibility and other requirements of the applicable state law.
- N. The Union agrees that if a dispute arises under this Section and the Union requests medical information which the Company is required to treat as confidential, the Union will deliver to the Company a valid release from the employee(s) whose records are the subject of the request. If the Union fails to deliver such release, the Company shall have no obligation to provide the requested information.
- O. The Company and the Union recognize that the Department of Labor has just issued final regulations regarding the FMLA. The Company reserves the right to make changes in its compliance plans to reflect final regulations and/or subsequent court decisions and the gaining of additional administrative experience, but without reducing leaves provided by the Agreement.
- P. Problems related to the implementation of this Section may be discussed by representatives of the UAW - Case - Corporate Labor Relations.

## **ARTICLE XI HOURS OF WORK AND OVERTIME**

### **Section 1. The Workweek.**

- A. Except for those employees covered by B and C of this section, the workweek shall begin at 12:01 a.m. Monday and shall consist of seven (7) consecutive 24-hour periods.
- B. The workweek of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall consist of seven (7) consecutive 24-hour periods beginning with their regular starting time on Sunday.
- C. The workweek for employees on continuous operations (to be defined locally) shall consist of seven (7) consecutive 24-hour periods.

### **Section 2. The Workday.**

- A. The workday shall be the consecutive 24-hour period coinciding with the calendar day; provided, however when an employee's shift extends over into the next calendar day, all hours worked on that shift shall be deemed to have been worked on the calendar day on which such shift began (except for those employees covered by B hereof).
- B. The workday of employees scheduled to begin their workweek on or after 10:30 p.m. Sunday shall be the consecutive 24-hour period beginning with their regularly scheduled starting time and in the case of any such employee, where there is a conflict between the calendar day and his workday, the workday shall prevail.

### **Section 3. Shift Schedules.**

- A. When one shift is needed, the hours normally shall be from 7:00 a.m. to 3:30 p.m. with a half hour designated meal period.
- B. When two shifts are needed, the hours normally shall be as follows: from 7:00 a.m. to 3:30 p.m. for the first shift with a half hour designated meal period; and from 3:30 p.m. to 12:00

Midnight for the second shift with a half hour designated meal period.

- C. When an operation is scheduled on a three-shift basis, the hours normally worked are as follows:

- (1) If the employee is assigned to a machine or equipment that is manned the other two shifts.

1st Shift 7:00 A.M. to 3:00 P.M.

2nd Shift 3:00 P.M. to 11:00 P.M.

3rd Shift 11:00 P.M. to 7:00 A.M.

Such employees shall work seven and seven-tenths (7-7/10ths) hours on each shift with an 18 minute lunch period and be paid for eight (8) hours. When an employee's weekly work schedule continues into the sixth and/or seventh work day, the aforesaid 18-minute lunch period is applicable on these days in the same manner as had been applied during the regular work week.

- (2) If the employee is not assigned to a machine or equipment manned on the other two shifts.

1st Shift 7:00 A.M. to 3:30 P.M.

2nd Shift 3:30 P.M. to 12:00 A.M.

3rd Shift 10:30 P.M. to 7:00 A.M.

- D. The work schedule for certain employees, because of the nature of their duties, may deviate from the above normal shift schedule.
- E. Should it become necessary in the interest of efficiency or during emergency periods to establish schedules departing from the normal shift schedules, the Company will notify the Union in writing and will discuss such changes with the bargaining committee before the change is made. (Local Supplement- Local 180)

#### **Section 4. Time and One-Half Payments.**

Time and one-half will be paid for all time worked:

- (1) Over eight (8) hours in any one workday.
- (2) Over forty (40) hours in any one workweek.

- (3) On Saturday, except for an employee on continuous operations who will be paid time and one-half for all time worked by him on the sixth (6th) consecutive day of his workweek.
- (4) After a break in an employee's workday which is caused by the Company sending him home and recalling him during that workday.
- (5) Overtime or premium payments under this Section 4 or Section 5 will not apply if employees are placed on an alternative work schedule (e.g., 4-10 or 3-12 schedule). In such case, overtime or premium payments will be paid in accordance with the rules governing that alternative work schedule.

## **Section 5. Double Time and Time and One Quarter.**

A. Double time will be paid for work performed on Sunday except in cases of:

- (1) an employee scheduled to begin his workweek on or after 10:30 p.m. Sunday night,
- (2) an employee on continuous operation who will be paid double time for all time worked by him on the seventh (7th) consecutive day of his workweek.

(Local Supplement - 180)

B. Employees working on seven-day continuous operations, such as, the power house will be paid time and one-quarter for work performed on Sunday.

## **Section 6. Shift Changes**

During any one workweek in which an employee is scheduled by the Company to work on another shift and such transfer was not requested by the employee, said employee will receive time and one-half for work performed within the 24-hour period commencing with the starting time of the shift from which he was transferred. If the employee requests such transfer, he will not receive any overtime even though he worked more than eight (8) hours during said 24-hour period. Shift changes will normally take place at the



beginning of a workweek, in which event there will be no overtime paid due to the shift change.

### **Section 7. No Pyramiding.**

The payment of overtime for any hour excludes that hour from consideration for overtime payments on any other basis.

### **Section 8. Overtime Distribution.**

(Local Supplement)

### **Section 9. Report-in and Call-back.**

- A. An employee who reports for work when he has not been notified in advance that there is no work available shall be paid for not less than four (4) hours at his regular rate, as set forth in the applicable wage schedules, provided he is not assigned to other work. Those employees so reporting and placed on other work shall be paid the rate established for the job they perform on such temporary assignment, or their regular rate, whichever is higher. This clause does not apply when work is not available due to an occurrence beyond the Company's control, such as fire, flood, or other weather conditions, explosion, power failure, or work stoppage in violation of Article V.
- B. Any employee called back to work after having completed his work assignment for the day or outside of his regularly scheduled hours for the week shall be paid a sum not less than four (4) times his regular hourly rate as set forth in as set forth in the applicable wage schedules. Such part of the four (4) hours worked shall be paid at the appropriate overtime rate, and the unworked time shall be paid at straight time.

### **Section 10. Holiday Pay.**

- A. The following Holidays or the days on which they are celebrated, pursuant to law or decree, shall be considered holidays:

**1998-1999**

Friday	April 10	Good Friday
Monday	May 25	Memorial Day
Friday	July 3	Day Celebrated as Independence Day
Monday	September 7	Labor Day
Thursday	November 26	Thanksgiving Day
Friday	November 27	Day After Thanksgiving
Thursday	December 24	Christmas Eve
Friday	December 25	Christmas Day
Monday	December 28	Christmas Shutdown
Tuesday	December 29	
Wednesday	December 30	
Thursday	December 31	New Year's Eve
Friday	January 1	New Year's Day
Monday	January 18	Martin Luther King Day

**1999-2000**

Friday	April 2	Good Friday
Monday	May 31	Memorial Day
Monday	July 5	Day Celebrated As Independence Day
Monday	September 6	Labor Day
Thursday	November 25	Thanksgiving Day
Friday	November 26	Day After Thanksgiving
Friday	December 24	Christmas Eve
Monday	December 27	Day Celebrated As Christmas Day
Tuesday	December 28	Christmas Shutdown
Wednesday	December 29	
Thursday	December 30	
Friday	December 31	New Year's Eve
Monday	January 17	Martin Luther King Day

**2000-2001**

Friday	April 21	Good Friday
Monday	May 29	Memorial Day
Monday	July 3	Day Before Independence Day
Tuesday	July 4	Independence Day
Monday	September 4	Labor Day
Thursday	November 23	Thanksgiving Day
Friday	November 24	Day After Thanksgiving
Monday	December 25	Christmas Day
Tuesday	December 26	Day Celebrated As Christmas Eve
Wednesday	December 27	Christmas Shutdown

Thursday	December 28	
Friday	December 29	
Monday	January 1	New Year's Day
Tuesday	January 2	Day Celebrated As New Year's Eve
Monday	January 15	Martin Luther King Day

#### 2001-2002

Friday	April 13	Good Friday
Monday	May 28	Memorial Day
Wednesday	July 4	Independence Day
Monday	September 3	Labor Day
Thursday	November 22	Thanksgiving Day
Friday	November 23	Day After Thanksgiving
Monday	December 24	Christmas Eve
Tuesday	December 25	Christmas Day
Wednesday	December 26	Christmas Shutdown
Thursday	December 27	
Friday	December 28	
Monday	December 31	New Year's Eve
Tuesday	January 1	New Year's Day
Monday	January 21	Martin Luther King Day

#### 2002-2003

Friday	March 29	Good Friday
Monday	May 27	Memorial Day
Thursday	July 4	Independence Day
Friday	July 5	Day After Independence Day
Monday	September 2	Labor Day
Thursday	November 28	Thanksgiving Day
Friday	November 29	Day After Thanksgiving Day
Monday	December 23	Christmas Shutdown
Tuesday	December 24	Christmas Eve
Wednesday	December 25	Christmas Day
Thursday	December 26	Christmas Shutdown
Friday	December 27	
Monday	December 30	
Tuesday	December 31	New Year's Eve
Wednesday	January 1	New Year's Day
Monday	January 20	Martin Luther King Day

#### 2003-2004

Friday	April 18	Good Friday
Monday	May 26	Memorial Day
Friday	July 4	Independence Day
Monday	September 1	Labor Day
Thursday	November 27	Thanksgiving Day

Friday	November 28	Day After Thanksgiving Day
Wednesday	December 24	Christmas Eve
Thursday	December 25	Christmas Day
Friday	December 26	Christmas Shutdown
Monday	December 29	
Tuesday	December 30	
Wednesday	December 31	New Year's Eve
Thursday	January 1	New Year's Day
Friday	January 2	Day After New Year's Day
Monday	January 19	Martin Luther King Day

#### 2004

Friday	April 9	Good Friday
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B. Any one of said holidays will be paid for irrespective of the day of the week on which the holiday falls. Except as provided in paragraph E below, pay for such holidays shall be on the basis of eight (8) hours at the employee's average straight-time hourly earnings for the week preceding the week in which the holiday falls. (Any applicable general wage increase is to be included in the calculation for the July 4 holiday pay.) Pay for grievance time as provided in Article VII, Section 5, shall not be included in the computation of holiday pay. The day before New Year's Day, New Year's Day, Christmas Day, and the three other days of the Christmas-New Year's shutdown earnings shall be the same as those used for the day before Christmas Day. To qualify for holiday pay, the employee must have:

- (1) Completed his probationary period.
- (2) Worked on his last regular workday before and his next regular workday after the holiday, except as provided otherwise in C, D, and E below.

C. Absence due to a death in the immediate family to include: spouse, child, parent, step-parent, brother, sister, half brother, half sister, son-in-law, daughter-in-law, current spouse's parent, current spouse's grandparent, brother-in-law, sister-in-law, grandchild, adopted child, stepchild, grandparent, and birth of a child in the immediate family.

D. An employee will be entitled to holiday pay if he is absent the day before the holiday for one of the reasons set forth below, provided he does work in the workweek in which the holiday

falls or during the workweek immediately prior thereto and returns to work as soon as possible:

- (1) Laid off due to a reduction in the work force.
- (2) Absence due to an established illness or injury.
- (3) Entrance into the military service.
- (4) Jury duty.
- (5) One of the casual days provided for in Article XII, Section 6.
- (6) Absence authorized in writing by the Company.
- (7) Pre retirement leave.

- E. An employee who is laid off in the first, second, third, or fourth workweek prior to the week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

An employee who works in the fifth, sixth, or seventh workweek prior to the week in which the Christmas Holiday period begins, and who is laid off during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

An employee who is laid off, on qualifying exception weeks pursuant to II (5) of the C.A.S.E. Program, on consecutive workweeks immediately prior to the week in which the Christmas Holiday period begins and who remains on layoff for such reason shall, if otherwise eligible, receive pay for each of the Holidays in the Christmas Holiday Period, providing such employee worked in the week in which the layoff occurs.

- F. In the event the company schedules a plantwide vacation shutdown during a holiday week, an employee absent on vacation during such week will have the option of receiving holiday pay if otherwise qualified or an additional PAA day. If the employee elects an additional PAA day it must be taken during the PAA scheduling year.
- G. When work is performed on a holiday, the employee will be paid double time for the hours worked plus his holiday pay if otherwise qualified.

- H. In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional day off with pay.

## **Section 11. Attendance Bonus Day.**

- A. An employee with one or more years of seniority will be eligible to accumulate Attendance Bonus credits in accordance with the table in Paragraph B of this Section. The employee will commence earning credits on the Monday following the week in which he attains one (1) year seniority.
- B. Beginning July 4, 1983, an eligible employee, as defined in Paragraph A, shall earn attendance bonus hours as shown in column A in the table below, for each week the employee works all of his scheduled straight-time hours (excluding overtime).

<u>Length of Service</u>	<u>A</u> <u>Attendance Bonus</u> <u>Hours Earned</u> <u>Per Week</u>	<u>B</u> <u>Chain</u> <u>Completion</u> <u>Bonus Hours</u>	<u>C</u> <u>5-Week</u> <u>Totals</u>
0 to 1 year	0	0	0
1 year but less than 10 years	.8	1.5	4.5
10 years but less than 20 years	.8	2.0	6.0
20 years	1.2	3.0	9.0

An employee who has five (5) consecutive weeks of perfect attendance will earn additional bonus hours as indicated in Column B of the above table. An employee having qualified for this additional credit will not be eligible for another such credit until he again has five (5) consecutive weeks of perfect attendance.

- C. An eligible employee who is absent for part of, but not all of, any week may nonetheless earn credit toward an attendance bonus hour if such absence is for one or more of the following reasons:

1. Jury service for which such employee is excused and compensated under ARTICLE XIV, Section 7 of this Agreement.
2. Bereavement for which such employee is excused and compensated under ARTICLE XIV, Section 8 of this Agreement.
3. Automatic short work weeks for which such employee is compensated under the SUB Plan.
4. Paid absence allowance arranged in advance for which such employee is paid under ARTICLE XII, Section 6 of this Agreement.
5. Attendance bonus days arranged in advance for which such employee is paid under ARTICLE XI, Section 11, of this Agreement.
6. A partial day on which an employee would have worked a full shift except such employee became disabled as a result of an injury arising out of and in the course of the employee's employment and was compensated for under ARTICLE XIV, Section 3, Paragraph H.
7. Vacation of less than one (1) week.

Where, for one of the reasons listed above, or for full weeks of vacation or any week in which one of the holidays falling within the Christmas shutdown occurs, an employee is absent for all of the week, such employee shall receive no attendance bonus credit, but such week shall not be used to disrupt the five (5) consecutive week period, for example:

Week 1 - Qualifies for attendance bonus hour

Week 2 - Qualifies for attendance bonus hour

Week 3 - Qualifies for attendance bonus hour

Week 4 - Qualifies for attendance bonus hour

Week 5 - Employee takes full week of vacation

Week 6 - Qualifies for attendance bonus hour

At the end of week 8, the employee will be deemed to have completed five (5) consecutive weeks of perfect attendance and will qualify for the additional Chain Completion Bonus Hours as outlined above.

- D. Eight (8) hours credit shall entitle an eligible employee to one (1) attendance bonus day. The amount of attendance bonus hours that an employee may accumulate is limited only by the maximums indicated in the Plan, however, an employee may not take more than 80 hours off with pay under this plan in any plan year (July 1 - June 30). Earned Attendance Bonus hours in excess of 80 shall be automatically paid to the employee twice each year, in conjunction with the payment of the Vacation Bonus and Christmas Bonus if applicable.
- E. An eligible employee who has accrued credit for one or more Attendance Bonus days may request and will be granted time off from work with pay in 8-hour increments to a maximum of 80 hours in plan year, provided a request for time off is made to such employee's immediate supervisor at least three (3) working days prior to the date such time off is desired and further provided that no more than two (2) employees under a single supervisor request the same day(s) off and the granting of the request does not otherwise interfere with production requirements. Requests for time off as attendance bonus days will be granted in increments of full days only. The pay for an attendance bonus day will be eight (8) hours at the employee's average straight-time hourly earnings (excluding shift premium) for the last calendar quarter prior to such absence (plus current COLA and any applicable annual improvement factor) for days on which he would otherwise be scheduled to work.

Time off granted will be deducted from the 80 earned attendance bonus hours which are not subject to the automatic payout at vacation and Christmas time. At the employee's request, the Company may agree to pay any portion (in eight (8) hours increments) of the employee's 80 earned attendance bonus hours which are not subject to the automatic payout at vacation and Christmas time without the corresponding time off.

- F. Time off under this Section shall not be granted or taken immediately before or after scheduled vacation shutdowns, vacation periods scheduled by the employee or the holidays listed in ARTICLE XI, Section 10 of this Agreement, except by mutual agreement.



- G. Tardiness of ten hundredths (.10) of an hour or less at the start of an employee's shift will not disqualify an employee from acquiring Attendance Bonus credit. This is not to be construed as excusing an employee for tardiness of ten hundredths (.10) of an hour or less.
- H. An employee may earn 3.2 attendance bonus hours for each consecutive eight (8) week chain of perfect attendance he completes during the period beginning with the first full workweek following his six (6) month anniversary until he achieves one (1) year of seniority and becomes eligible under Section A above. An employee who has completed at least one (1) week of perfect attendance chain beginning prior to his one (1) year anniversary can complete that chain by completing a total of five (5) weeks of perfect attendance (counting those weeks before and after the one (1) year seniority date).

(See Letter of Understanding on page 229)

## **ARTICLE XII VACATIONS**

### **Section 1. Vacation Time Off and Pay.**

- A. Employees who have six (6) months but less than one (1) year of seniority prior to June 1, will be eligible for a one (1) week vacation. Vacation pay for such employees shall be computed on the basis of twenty (20) hours.
- B. Employees who have at least one (1) year of seniority and who have worked a minimum of eighty (80) days during the year prior to June 1, will be eligible for a vacation with pay. Employees entitled to full vacation will receive vacations with pay on the following basis:

One year but less than three  
years of seniority  
on or before June 1.

40 hours - 1 week

Three years but less than ten

years of seniority  
on or before June 1. 80 hours - 2 weeks

Ten years but less than fifteen  
years of seniority  
on or before June 1. 120 hours - 3 weeks

Fifteen years but less than  
twenty years of seniority on  
or before June 1. 140 hours - 3 1/2 weeks

Twenty years or more of seniority  
on or before June 1. 180 hours - 4 1/2 weeks

- C. Vacation pay will be computed for the 40, 80, 120, 140 or 180 hours, whichever applies, as follows:

160 or more days worked*	..... full vacation pay
120 through 159 days worked*	... 75% vacation pay
80 through 119 days worked*	.... 50% vacation pay

Three, ten, fifteen and twenty-year employees under Section 1-B of this article who qualify for only 50% vacation pay will be allowed 5, 8, 9, or 12 days vacation time off, respectively.

Days lost from work due to an industrial injury for which Worker's Compensation Benefits have been paid will be considered as days worked for vacation eligibility as follows:

- (1) Must have performed work in the vacation year.
- (2) Must meet all other eligibility requirements for vacation as stated in this section.
- (3) Credit will be given for such lost-time days up to a maximum of five (5) in any one work week, provided these would have been days the employee would have normally been scheduled to work.

\* Days worked during the year preceding June 1. Paid vacation days, holidays and PAA for which pay was received will be considered as days worked.

- D. Vacation pay shall be computed on the basis of an employee's average straight time hourly earnings (excluding overtime and shift premium) during the first three (3) months of the calendar year in which his vacation falls. Pay for grievance time as provided in Article VII, Section 5, shall not be included in the computation of vacation pay.
- E. Employees otherwise eligible for vacation pay who have no earnings during this period shall have their vacation pay computed on their average straight-time hourly earnings for the period between April 1 and June 1. Employees otherwise eligible for vacation pay who have no earnings after January 1 shall have their vacation pay computed on their average straight-time hourly earnings during the last two (2) weeks of their employment. Two (2) weeks will be the minimum amount of time used in the computation of an employee's straight-time hourly earnings.
- F. An employee who is reemployed following completion of service in the Armed Forces of the USA will be eligible for vacation during that vacation year as provided in Section 1. Military service will be construed as days worked to meet the eligibility requirements of Section 1.B, provided the employee has worked some part of that vacation year with the Company.

## **Section 2. Vacation Assignments.**

- A. Vacation assignments shall be made by the Company in a manner which will insure the orderly and efficient continuation of production, but the Company agrees to give, whenever possible, the desired Vacation Time indicated by the employees on the basis of their seniority. An employee may elect to take vacation pay in lieu of time off for vacation entitlement in excess of three weeks with management approval, unless a four week shutdown is scheduled. If he/she prefers time off for vacation entitlement in excess of three weeks, the Company will schedule such time and if possible will assign him/her the week he/she prefers.
- B. Except as provided in A above and in cases of pensioners who are entitled to vacation pay, an employee must actually take his vacation in order to receive his vacation pay. All vacation assignments by the Company shall be made within the vacation

year period of June 1 through May 31. Vacations are noncumulative from year to year.

### **Section 3. Terminated and Deceased Employees.**

- A. Employees who retire under the pension plan who have worked 160 days or more pursuant to this, Section 1-C, are eligible for full vacation even though their retirement date occurs prior to June 1. Those employees who retire under the pension plan who do not meet the 160 days worked requirements shall receive pro rata vacation pay based on the number of months worked since the previous June 1.
- B. 1. An employee whose seniority is terminated and who upon termination had five (5) or more years of service with the Company who is eligible for vacation under Section 1 of this Article, and has worked at least 160 days during the vacation year, shall be eligible for prorated portion of his vacation pay, based on the number of months worked since the previous June 1, and the remaining Attendance Bonus hours balance and the remaining Paid Absence Allowance hours balance for which he is eligible under these plans.
2. Other employees whose seniority is terminated will be eligible for the remaining Attendance Bonus balance hours and the remaining Paid Absence Allowance Hours balance for which they are eligible under these plans, unless such termination is under Article IX, Section 4.(2) or (3).
- C. If an employee otherwise eligible dies before his vacation, Attendance Bonus days or paid absence allowance days are taken, his vacation, including any applicable vacation bonus remaining, Attendance Bonus hours balance, and remaining paid absence allowance hours balance shall be paid to the surviving spouse, children or parents, in that order of precedence. Notification of the above will be provided to the Union. Accrued vacation shall be paid as in paragraph B above.

### **Section 4. Employees Transferred into the Bargaining Unit.**

*Employees of the Company, not in the bargaining unit, transferred into the bargaining unit shall receive service credit for vacations for unbroken employment service they had accumulated prior to being transferred into the bargaining unit.*

## **Section 5. Scheduled Plant Shutdown for Vacations.**

*A plant shutdown for vacations will not commence before June 1 and it will not extend beyond the end of the last week in August which is one full calendar week before Labor Day, unless there are important business reasons for extending the vacations to the end of August in which event such extension will be discussed with the Union. The Company will post the vacation notice by the first of April each year. The Company may not change a vacation notice after June 1, except by mutual agreement.*

*In the event that any portion of an inventory/vacation shutdown period is scheduled during the month of June, the schedule will be posted and fixed thirty (30) days prior to the start of the week(s) scheduled.*

*In addition, employees who have not been scheduled to work such shutdown may not be required to work due to schedule changes past the fourteenth (14) calendar day preceding the beginning of the shutdown. Employees who worked in the classification and were scheduled to work but left the classification for any reason may still be required to work the shutdown period.*

## **Section 6. Paid Absence Allowance.**

- A. An employee with at least one (1) year of seniority as of July 1, each year will be granted up to forty (40) hours of absence between July 1 and the subsequent June 30. The foregoing absences must be requested at least three (3) working days in advance. Pay for such absence will be made at the employee's average straight-time hourly earnings (excluding shift premium) for the last calendar quarter prior to such absence (plus current cost-of-living and any applicable improvement factors) for days on which he would otherwise be scheduled to work. Such absences shall be taken in individual increments of not less than four (4) hours.*
- B. An employee absent from work because of illness, which except for the waiting period would entitle him to weekly disability*

benefits, may elect to have one or more full days of such absence treated as eight (8) hours of absence under this provision.

- C. An employee who is absent from work on a scheduled work day without the proper notification defined in paragraph A of this section may request pay for such absence which will be granted if and to the extent he is eligible for such pay. In such cases the employee will not receive attendance Bonus Credit and will break the consecutive week chain established under Article X), Section 11. The granting of such pay will in no way imply that his absence was or was not for a reasonable or satisfactory reason, nor will it imply any waiver of the employee's obligation to make a reasonable and satisfactory effort to have notified the Company prior to such absence.
- D. At the employee's option the Company will pay for the unused Paid Absence Allowance as follows:
  - (1) At the end of the last pay period in February, the remaining Paid Absence Allowance time over thirty-two (32) hours.
  - (2) At the end of the last pay period in March, hours over twenty-four (24).
  - (3) At the end of the last pay period in April, hours over sixteen (16).
  - (4) At the end of the last pay period in May, hours over eight (8).
  - (5) At the end of the contract year, the remaining hours, if any.
- E. During the vacation season an employee eligible for one or more weeks of vacation may take up to his maximum eligibility in individual days upon making advance request of thirty (30) days prior to said vacation.

## **Section 7. Vacation Bonus.**

An employee who is eligible for vacation as stated in , Section 1 B, C, D, E and F will receive a vacation bonus of \$135.00 (minus required withholding and social security deductions). \$100.00 (minus required withholding and social security deductions) of the vacation bonus will be paid at the time the employee receives his vacation, and

\$35.00 (minus required withholding and social security deductions) will be paid on the regular pay day immediately preceding the Christmas shutdown as stated in Article XI, Section 10A. To receive the \$100.00 payment at vacation and the \$35.00 payment at the Christmas shutdown, an employee must be on the seniority list on the scheduled payment dates.

Employees who retire under the Pension Plan after June 1 who are eligible for vacation as provided in Section 3 of this Article, will receive the related Vacation Bonus Payment of \$135.00 (minus required withholding and social security deductions) at the time the vacation payment is made to the retiree.

## **ARTICLE XIII WAGES**

### **Section 1. General Principles.**

The parties agree and they subscribe to the principle of "a fair day's work for a fair day's pay" and recognize that pegging of production is not consistent with such a principle.

### **Section 2. Schedule of Rates.**

Attached to each Local Agreement are schedules of rates.

### **Section 3. Application of Schedule.**

- A. Newly hired employees shall be paid at the starting rate of the classification to which they are assigned as noted in the schedules attached to each Local Agreement.
- B. Employees shall be paid for time worked in a classification at the rate for that classification, except as specifically provided otherwise in this Agreement.
- C. When the Company temporarily assigns an incentive (CCICS or direct non CCICS) employee to another incentive classification, his earnings will be based on the labor grade of his classification, or the labor grade of the classification to which he is temporarily assigned, whichever is higher.

- D. When the Company temporarily assigns an hourly-paid (non CCICS indirect or Day Rate) employee to another hourly-paid classification he will receive the hourly rate from which he was transferred or the hourly rate of the classification to which he is assigned, whichever of these rates is higher.
- E. When the Company temporarily assigns an incentive (CCICS or direct non CCICS) worker from his incentive classification to an hourly-paid (non CCICS indirect or Day Rate) classification he will receive the corresponding day rate (non CCICS indirect or Day Rate) of his classification or the hourly (non CCICS indirect or Day Rate) rate of the job to which he is temporarily assigned whichever is greater.
- F. When the Company temporarily assigns an hourly (non CCICS indirect or Day Rate) paid employee to an incentive (CCICS or non CCICS direct) classification his earnings will be based on the labor grade of his classification ("Day Rate" or "Skilled Trades" or non CCICS indirect as applicable) or the incentive (CCICS or non CCICS direct) rate of the job to which he is temporarily assigned, whichever is higher.
- G. Employees eligible for an RCPL shall retain the RCPL if the employee is temporarily transferred to a position that is part of a CCICS application.
- H. Eligible employees will not receive the RCPL for any time worked in a non-CCICS application. In such cases, the employee will receive the base rate for that classification (plus incentive earnings, if applicable); provided however, that if an RCPL eligible employee is temporarily transferred to a non-CCICS indirect application the employee will receive the corresponding "non-CCICS/indirect" rate of his classification or the "non-CCICS/indirect" rate of the job to which he is transferred, whichever is greater or, if temporarily transferred to a non-CCICS direct application the employee will receive the "non-CCICS/SHP" rate of his classification or the "non-CCICS/SHP" rate of the classification to which he is temporarily assigned, whichever is greater (plus incentive earnings).
- I. A temporary assignment is one where, upon its completion, the employee will return to his former assignment; it is not requested by the employee; it is not a transfer at the time of a reduction in the work force of a classification or department; it



is not made because the employee is unable to perform the job; and, it does not include assignments of an employee who is assigned to a job to which he is regularly or periodically assigned.

- J. Temporary assignments shall not exceed sixty (60) consecutive working days unless employees so assigned are willing to accept an extension beyond the sixty (60) days.
- K. Work normally done in the tool room, experimental department or in the maintenance department, which are assigned to be produced on regular production machines by regular production machine operators will be paid for at the minimum rate of the appropriate classification in the tool room, experimental department or maintenance department.

#### **Section 4. New or Changed Classifications.**

- A. When significant changes occur in the job content of any classification or any additional classifications are necessary in the wage schedule of each Local Agreement, the classifications shall be rated or rerated, as the case may be, to conform with similar classification rates in these schedules. Notices of such changes shall be given to the Union when they are made effective.
- B. Grievances regarding the rating or rerating of classifications may be handled in accordance with the grievance procedure. In the event a grievance arises, all of the known facts shall be made available to the parties dealing with the grievance.

#### **Section 5. Cost-of-Living.**

Each employee covered by this Contract shall receive a cost-of-living allowance as set forth in this Section.

Except as otherwise provided in paragraph (c) herein, the cost-of-living allowance (presently accumulated and future increases) shall not be added to the wage rate for any classification, but only to each employee's straight-time hourly earnings.

The cost-of-living allowance shall be taken into account in computing overtime premium, vacation pay, bereavement pay, holiday pay, jury pay, paid absence allowance and military

encampment, and attendance bonus credits unless otherwise provided in this Agreement.

The amount of cost-of-living allowance shall be determined and redetermined as provided below on the basis of the Consumers Price Index for Urban Wage Earners and Clerical Workers (including Single Workers) (CPI-W) published by the Bureau of Labor Statistics, United States Department of Labor (1967 = 100 revised) and referred to herein as the "Index". Continuance of the cost-of-living allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for March, 1998, unless otherwise agreed upon by the parties. Beginning with the Price Index for January 1987, the CPI-W was revised to reflect the updated expenditure weights based on data from 1982-1984 Consumer Expenditure Surveys and minor changes in the updating of the market basket. In the event of any other changes in the Index during the term of the Agreement, the parties will determine the appropriate index to use.

**(a) Effective Dates of Adjustment**

The cost-of-living allowance amount in effect until June 1, 1998 will be three dollars and sixteen cents (\$3.16) per hour. Thereafter, cost-of-living adjustments shall be made on a quarterly basis, starting with the first pay period beginning on or after June 1, 1998 and at three calendar month intervals thereafter including December, 2003.

**(b) Base Adjustment Amounts**

The Comparison Price Index means the Price Index for February, March, and April (averaged) next preceding the June adjustment date; for May, June, and July (averaged) next preceding the September adjustment date; for August, September and October (averaged) next preceding the December adjustment date; for November, December, and January (averaged) next preceding the March adjustment date.

The Adjustment Amount will be established by calculating the average for the appropriate three month period and then utilizing the following Comparison Price Index table to determine the total amount of COLA then due on the adjustment date.

Comparison Price Index				Adjustment Amount
470.3	-	470.5	=	3.11
470.6	-	470.7	=	3.12
470.8	-	471.0	=	3.13
471.1	-	471.3	=	3.14
471.4	-	471.5	=	3.15
471.6	-	471.8	=	3.16
471.9	-	472.0	=	3.17
472.1	-	472.3	=	3.18
472.4	-	472.6	=	3.19
472.7	-	472.8	=	3.20
472.9	-	473.1	=	3.21
473.2	-	473.3	=	3.22
473.4	-	473.6	=	3.23
473.7	-	473.8	=	3.24
474.0	-	474.1	=	3.25
474.2	-	474.4	=	3.26
474.5	-	474.6	=	3.27
474.7	-	474.9	=	3.28
475.0	-	475.2	=	3.29
475.3	-	475.4	=	3.30
475.5	-	475.7	=	3.31
475.8	-	475.9	=	3.32
476.0	-	476.2	=	3.33
476.3	-	476.5	=	3.34
476.6	-	476.7	=	3.35
476.8	-	477.0	=	3.36
477.1	-	477.2	=	3.37
477.3	-	477.5	=	3.38
477.6	-	477.8	=	3.39
477.9	-	478.0	=	3.40
478.1	-	478.3	=	3.41
478.4	-	478.5	=	3.42
478.6	-	478.8	=	3.43
478.9	-	479.1	=	3.44
479.2	-	479.3	=	3.45
479.4	-	479.6	=	3.46
479.7	-	479.8	=	3.47
479.9	-	480.1	=	3.48
480.2	-	480.4	=	3.49
480.5	-	480.6	=	3.50
480.7	-	480.9	=	3.51
481.0	-	481.1	=	3.52
481.2	-	481.4	=	3.53

481.5	-	481.7	=	3.54
481.8	-	481.9	=	3.55
482.0	-	482.2	=	3.56
482.3	-	482.4	=	3.57
482.5	-	482.7	=	3.58
482.8	-	483.0	=	3.59
483.1	-	483.2	=	3.60
483.3	-	483.5	=	3.61
483.6	-	483.7	=	3.62
483.8	-	484.0	=	3.63
484.1	-	484.3	=	3.64
484.4	-	484.5	=	3.65
484.6	-	484.8	=	3.66
484.9	-	485.0	=	3.67
485.1	-	485.3	=	3.68
485.4	-	485.5	=	3.69
485.7	-	485.8	=	3.70
485.9	-	486.1	=	3.71
486.2	-	486.3	=	3.72
486.4	-	486.6	=	3.73
486.7	-	486.9	=	3.74
487.0	-	487.1	=	3.75
487.2	-	487.4	=	3.76
487.5	-	487.6	=	3.77
487.7	-	487.9	=	3.78

And so forth with 1¢ adjustment for each .26 change in the average index for the appropriate three months as indicated. The sequence of five changes, 0.3, 0.2, 0.3, 0.2, and 0.3, and being repeated in the table produces an average adjustment over time of 1¢ for each 0.26 change in the index.

In no event will a decline in the three-month average BLS Consumer Price Index below 470.3 provide the basis for a further reduction in wages.

In the event the Bureau of Labor Statistics shall not issue the appropriate index on or before the beginning of one of the pay periods referred to in this Section, any adjustment in the allowance required by such index shall be in effect at the beginning of the first pay period after receipt of such index.

No adjustment, retroactive or otherwise, shall be made in the amount of the Cost-of-Living allowance due to any revision

which later may be made in the published figures for the Index for any month on the basis of which the allowance shall have been determined.

- (c) During the term of this Agreement, the current COLA allowance of three dollars and sixteen cents (\$3.16) and any COLA accumulated under this Agreement will continue to be paid as an additive to the wage rate schedule and the Red Circle Pay Level (no fold-in) and will not be considered when calculating SHP incentive earnings or the Red Circle Pay Level. For all benefit calculation purposes, three dollars and eleven cents (\$3.11) of the current COLA allowance of three dollars and sixteen cents (\$3.16) accumulated under the 1990-95 Agreement and the 1995-1998 Agreement, will be included as part of the wage schedule.
- (d) The first four cents (4¢) from each of the twenty-three (23) quarterly COLA adjustments generated under this Agreement, shall be permanently deducted and diverted. If the adjustment amount due for a specific adjustment date is zero (\$0.00) cents per hour or less, no such permanent deduction will apply. If the adjustment amount for a specific adjustment date is less than the prescribed diversion amount of four cents (4¢) the diversion amount will be equal to the adjustment amount otherwise due.
- (e) For purposes of calculating COLA under the paragraph (b) payment table, the appropriate amount of diversions diverted under (d) above will be deducted from the amount otherwise payable in accordance with the table.

## **Section 6. Shift Premiums.**

- A. Employees regularly working on the second shift shall receive a premium of forty-five cents (45¢) per hour and fifty cents (50¢) per hour for the third shift for each hour worked.

Effective 1/1/91 the second shift will receive sixty cents (60¢) per hour and the third shift will receive sixty-five (65¢) for each hour worked.

- B. For the purposes of this Section, second shift shall be any shift regularly starting from 12:00 Noon up until 7:00 p.m., the third

shift shall be any shift regularly starting from 7:00 p.m. up until 1:00 a.m.

## **Section 7. Pay Day**

Under normal situations, wages shall be paid prior to the noon lunch break on Friday of each week for the first and third shifts and on Thursday of each week for the second shift, except where pay for the second shift is not available by reason of mechanical limitations or difficulties experienced in the existing payroll system. In cases where the plant is not operating because of a holiday or reduction of operations, pay day will be the last scheduled day of the week.

# **ARTICLE XIV GENERAL PROVISIONS**

## **Section 1. Non-Unit Employees.**

It is the Company's policy to discourage non-unit employees from performing unit work. Non-unit employees shall not perform production, experimental or maintenance work, except instructing in the work classifications covered by this Agreement to the extent it could affect the jobs available in the bargaining unit.

## **Section 2. Bulletin Boards.**

The Company will maintain the bulletin boards now provided for the Union and which may be used by the Union for the posting of Union business notices. The Company will continue to provide literature racks under the arrangements presently in effect.

## **Section 3. Safety and Health.**

- A. The Company is committed to protect the health and safety of all of its employees, and shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment. Management has assigned responsibility for carrying out the various aspects of the health and safety program and the Union will actively participate and cooperate with management in the program's implementation.

## B. Central Safety Committee

The Company and the Union will establish a Central Safety Committee consisting of two representatives from the International Union to be appointed by the Director of the Union's Agricultural Implement Department and two representatives of the Company to be appointed by the Company. Each party will appoint at least one member of its Committee who has professional training in Safety and Industrial Hygiene.

The functions of this Committee will be to:

- meet semi-annually at a time and place mutually agreeable to the parties.
- review the Company's Safety and Health Program and make necessary and desirable recommendations.
- establish a system to encourage and recognize the professional development of Joint Local Health and Safety Committee/Team members.
- provide to the Joint Local Health and Safety Committee/Team, at no cost to them, health and safety training twice annually; the topic and timing to be determined by the Co-Chairs of the Central Safety Committee. The Central Committee will insure that Joint Local Health and Safety Committee/Team Members have or will receive training in the following areas: Accident Investigation, Noise Control, Machine Guarding, Lockout, Confined Space Entry, Toxicology, Industrial Hygiene, Ergonomics, Fall Prevention, Ventilation and Review of New Equipment and advanced, national health and safety issues.
- review and analyze Local, State and Federal regulations relating to Health and Safety.
- review problems that are presented by the Joint Local Health and Safety Committee/Team make necessary and desirable recommendations.
- analyze data from the monthly safety reports and OSHA Form 200 and have special tests conducted where needed.

- discuss possible areas for cooperative research efforts regarding workplace hazards.
- minutes of the meetings will be given to the Central and Joint Local Health and Safety Committees/Team.
- submit its recommendations in writing to the appropriate Joint Local Health and Safety Committee(s)/Team following any joint meeting.

#### **C. Joint Local Health and Safety Committees/Teams**

Case Corporation and the UAW recognize the role and responsibility of the Joint Local Health and Safety Committee/Team to serve as a technical resource and consulting team to the Local Management and Union. The parties further recognize the need for the professional development of the Local Union and Management representatives; therefore, the Joint Local Committee/Team Co-Chairs will mutually identify and make available necessary and appropriate health, safety and ergonomics training in addition to that scheduled by the Central Safety Committee. The Company will cover expenses associated with this training.

Joint Local Health and Safety Committees/Team will be established in each bargaining unit (refer to Local Supplements). Each such Committee/Team will consist of representative(s) appointed by the Company and appointed, elected or volunteered representative(s) of the UAW. The Company representative(s) shall include the Plant Safety Supervisor, a member of either the Plant Engineering or Maintenance Department and one other representative of management. The Joint Local Health and Safety Committees/Teams shall meet once each month to:

1. Consider and make recommendations for the correction of conditions considered to be unsafe, unhealthy or unsanitary based upon plant inspections and employee observations. Copies of such recommendations will be furnished to the appropriate Company representatives and tentative completion dates will be discussed.
2. Consider and make recommendations on obtaining complete salaried and hourly employee cooperation with



the enforcement of safety and accident prevention rules and program guidelines.

3. Review OSHA Form 200, results of industrial hygiene surveys, Material Safety Data Sheets, employee complaints, local safety and health education programs, photographs taken of accidents and/or hazardous conditions, and the written progress report made by the Plant Safety Supervisor regarding recommendations made at previous Safety Committee/Team meetings.
4. Request, take, or assist in taking noise measurements, air contaminant and air flow readings using the recording devices and smoke tubes made available by the plant.
5. Request surveys by the Company's Industrial Hygiene department of air quality and other industrial hygiene surveys. Copies of the results to be given to the Union.
6. Monitor programs such as Fall Prevention, Contractor Safety, Confined Space Entry, Noise Abatement, and Ergonomics and make recommendations to insure proper implementation.
7. Take an active role in reviewing, recommending and presenting local safety education and information programs and employee job-related safety training (e.g., hazard communication, lockout, accident investigation, confined space, etc., as required).

Minutes of the Committee/Team meetings shall be taken by one of the Company members, and if acceptable, signed by the Safety Supervisor and Union Joint Local Health and Safety Committee/Team Chairman. Copies shall be distributed to the Committee members and to the Chairman of the Union Bargaining Committee.

The minutes of the regular meetings will provide information and details to the Central Safety Committee for use in its evaluation and assistance in working with the specific problem areas relating to the plant.

The Union Joint Local Health and Safety Committee/Team Chairman, or his designee, may accompany an OSHA inspector on an official plant inspection tour.

The Joint Local Health and Plant Safety Chairman will be notified of the visit to the plant of a Company Safety and Health expert and will be afforded the opportunity to meet and discuss with him the purpose and/or results of his work.

The Joint Local Health and Safety Committee/Team may request the services of the Joint Central Safety Committee to review health and safety areas and specific problems at any time.

**D. Union Access to Facilities or Information**

The Company will provide access, upon reasonable notice, to Company plants and locations to health and safety representatives of the International Union. Such representatives may be accompanied on premises by Company representatives and the Chairman of the Joint Local Health and Safety Committee/Team and in Racine the Local 180 Area Safety Committeeman. Upon request, reports on such surveys will be provided to the Company.

The Company agrees to allow access to the Union Members of the Joint Local Health and Safety Committee/Team to reference material available to the Plant Safety Supervisor and other information such as Material Safety Data Sheets, accident reports, results of environmental and noise tests, injury and illness data, photographs, plant safety goals and corporate programs and policies. Such information is provided to the Union to assist it in performing its health and safety representational functions under the contract. Disputes that arise regarding disclosure of such information will be referred to the Central Committee for resolution.

The Company has established in each plant a file of Material Safety Data Sheets (MSDS) using Dept. of Labor form LSG-005-4 or any other equivalent form. MSDS sheets have been prepared for every chemical used in the plant. The MSDS file will be made available to the Joint Local Health and Safety Committee/Team.

**E. Employee Access to Information and Records**

Whenever an employee's personal exposure to a potentially hazardous material is measured, the results will be provided to the employee and a copy placed in the employee's medical file.

The Company will provide to employees who are exposed to harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests at a frequency and extent necessary to determine whether the health of such employees is being adversely affected.

If a medical examination or test given an employee by the Company discloses any abnormal conditions, the employee shall be informed of said conditions and shall be given a copy of any written opinion or recommendation made by the doctor.

Upon written request by the employee, the Company will make available to the employee and/or the employee's doctor all medical records (including X-rays) relating to the examinations, tests or in-plant injury or occupational illness at no cost to the employee.

#### **F. Injury Reporting and Accident Investigation**

Employees must report to their supervisor/facilitator any injury suffered so proper treatment can be administered by the First Aid Department or doctor. The Company shall promptly make adequate provision for first aid, hospital care, and ambulance service as necessary.

The supervisor/facilitator will be involved in the investigation of all OSHA recordable injuries and, if it is determined that the injury was caused by an equipment malfunction, the investigation will be completed prior to another employee being assigned to that machine, but no later than 24 scheduled hours.

Prior to investigating an OSHA recordable injury, the Company's Safety Supervisor will notify the Local Safety Committee/Team Chairman (in Racine, the Local Area Safety Committeeman) of the injury and afford him the opportunity to participate in such investigation and request appropriate photographs of the incident.

The Plant Safety Supervisor will promptly give a copy of the investigation report to the Joint Local Health and Safety Committee/Team Chairman or the Local Area Safety Committeeman. That report will be reviewed at the next regularly scheduled meeting.

#### G. Personal Protective Equipment

The protective safety equipment which will be provided by the Company is set forth below. All personal protective equipment provided by the Company will continue to be of safe design and construction. Employees must wear the personal protective equipment, and use the protective devices and other safety equipment designed to protect them from injury and illness.

##### Eye Protection Program.

The Company will provide prescription and/or non-prescription safety glasses to all employees starting their employment with the Company. All employees are required to wear ANSI-Z87.1 approved safety glasses in the course of their employment. When safety glasses are damaged in the course of an employee's work, they will be replaced at no cost to the employee by the Company. For prescription safety glasses, the employee will provide the Company with a copy of their prescription and assume the cost of such prescription. When a correction is required in the employee's prescription, the cost of replacement prescription safety glasses will be assumed by the Company. The replacement cost of prescription safety glasses lost or damaged by improper care by the employee will be at the expense of the employee, unless two years have elapsed from the date of the last issue of prescription safety glasses.

##### Foot Protection Program.

The Company will provide toe clips or guards to all employees starting employment with the Company. All employees are required to wear prescribed foot protection in the course of their employment. The Company will make ANSI-Z41.1 approved safety shoes available to the employee for purchase. A supplement of \$25.00 will be paid toward the purchase of a pair of metatarsal-guarded shoes. Two (2) pair per year will be supplemented. When metatarsal-guarded shoes are required to comply with OSHA (such as the Racine Foundry), the Company will provide employees with metatarsal-guarded shoes from the Company approved suppliers or vendors in accordance with the requirements of OSHA. The employee must turn in the used pair of shoes and a receipt to receive reimbursement for the new pair of metatarsal-guarded shoes. Any employee removing a guard from a shoe is subject to normal disciplinary action.

This provision is not intended to reduce the Company's responsibility, in any way, under the OSHA Standard 1910.136

#### **Miscellaneous**

**Personal protective equipment, devices and clothing, which are required or are necessary for particular work assignments, shall be provided and furnished by the Company. (Refer to Local Supplements for specific personal protective equipment.)**

**Personal protective equipment furnished employees except for prescription glasses, must be returned to the Company when terminating employment. The cost of such equipment not returned in usable condition will be deducted from the employee's last pay check, except for those items returned in unusable condition due to normal wear and tear.**

**Personal protective equipment that is damaged as a result of a workplace injury will be replaced at company expense.**

#### **H. Lost Time Payment**

**An employee who receives an in-plant injury which requires a visit to a hospital or doctor in or out of the plant will be paid the appropriate Schedule "A" or "C" or 115% of Schedule "B" as applicable for the time lost, or the balance of the shift, whichever is shorter, provided the employee returns to the job promptly if able to return to work. Upon conversion, Schedule B employees will receive the CCICS rate, and Schedule A or C will receive the Non-CCICS/indirector Non-CCICS rate respectively.**

#### **I. Health and Safety Dispute Resolution**

**Written grievances involving Safety that have been reviewed in the "second step" may be referred to the Local Safety Committee/Team. The remaining steps of the grievance procedure are also available for these grievances.**

**It is the desire of the parties that problems and questions relating to Health and Safety should be resolved through the use of these Safety Committees/Team by the parties without referral to government agencies.**

**J. Fall Prevention**

The Company will continue to apply its comprehensive fall prevention program. Hazardous tasks will be prioritized and plans for control measures will be developed and implemented. The programs guidelines, which will constitute a base line, or benchmark, will be distributed to each facility. The Local Health and Safety Committee/Team will review the program and, based on that facility's operations, may make recommendations.

**K. No Hands in Die/Protection Program**

The Company is committed to the Safety and Health of all employees, regarding power press and press brake safety. During this agreement the Company will strive to achieve a No Hands in Die application and where this is not feasible, it will ensure point of operation devices such as brake monitors, barrier guards, light guards, or simultaneous and concurrent activated two-handed controls are utilized and maintained in working condition.

For those operations which require employees to place their hands or arms into the die area, power presses will, where feasible, be additionally equipped with safety devices to prevent the press ram from cycling or falling, while the employees are loading and unloading into the die area.

Press brake operations will incorporate safety methods, procedures, tools, devices, or combination of these to achieve pinch point protection.

The parties agree to consult with recognized experts in the field of power press safeguarding to identify potential areas to improve employee protection.

**L. Abatement Programs**

**Noise**

The Company will continue to develop and implement feasible engineering controls in an effort to eventually eliminate the use of hearing protection. Where feasible, the Company is committed to purchasing equipment or machinery that will further the noise reduction objective. The Joint Local Health and Safety Committee/Team will receive copies of any noise surveys conducted in that facility that year and review the most

recent noise abatement plan. The Joint Local Health and Safety Committee/Team may make recommendations after reviewing this information.

#### **Respirators**

The Company will provide pulmonary function tests as deemed necessary by the Company Medical Director.

The Company will proceed with such pulmonary function tests for welders and foundry employees.

The Company will continue to experiment with new and innovative welding procedures and/or equipment.

The Company will review with the Local Safety Committee/Team the respirator abatement program currently in effect, and those it is planning to undertake. The Company will supply this information to the Local Safety Committee/Team in writing with the understanding that the Local Safety Committee/Team will have an opportunity to discuss the respirator abatement program with the Company and make recommendations designed to improve upon it.

#### **M. Lockout Program**

There shall be an effective lockout program in each plant, which shall include:

- machine specific lockout procedures
- the dissemination of lockout procedure information (it is the Company's intent to post lockout procedures where written lockout procedures have been established pursuant to OSHA Standard 1910.147); the Joint Local Health and Safety Committee/Team will review written procedures and make recommendations where the information is incomplete.
- compliance inspections

The Company will review with the Local Safety and Health Committee/Team the machinery and equipment lockout program currently in effect, as well as any modifications to the program when made. The Company will supply this information in writing with the understanding that the Local

Safety and Health Committee/Team will have an opportunity to discuss the program and make recommendations designed to improve upon it.

**N. Ergonomics**

The Company has implemented and will maintain a comprehensive ergonomics program. The elements of the program and implementation time table will be reviewed periodically with the Central Committee and each Joint Local Health and Safety Committee/Team.

Where feasible, engineering controls will be the primary method of reducing cumulative trauma risks and administrative controls will be used pending the installation of any feasible engineering controls.

**O. Hazardous Material Review and Reduction.**

Effective control of hazardous materials protects the employees of Case as well as the environment in the surrounding communities. The Company will continue reducing its use of hazardous materials where feasible. This program will be reviewed periodically with the Joint Local Health and Safety Committee/Teams. The Local Union Health and Safety Committee/Team Chairman will be provided with advance information on hazardous materials which affect the health and safety of UAW members and be given an opportunity to participate in the review and make recommendations.

**P. Contractor Safety Program.**

The Company will establish a Contractor Safety Program at each facility, which will include guidelines on pre-qualification, site inspections and enforcement procedures. The draft program will be circulated among members of the various Plant Safety Committee/Teams for review and recommendations.

**Q. New and Modified Machinery and Plant Rearrangement**

Where feasible, health and safety issues (such as ergonomics) should be considered at the early stages of process development or machinery acquisition. Accordingly, engineers involved in such projects should be knowledgeable or receive training in ergonomics, health and safety hazard analysis and the Company's related specifications for machinery acquisition.



Whenever possible, the Company will provide advance notice to the Joint Local Health and Safety Committee/Team of significant acquisitions of new equipment and machinery or layout changes which may adversely affect the health and safety of employees.

**R. Preventive Maintenance**

The Company will establish and implement preventive maintenance programs in areas that affect employee health and safety. The Joint Local Health and Safety Committee/Team will periodically monitor these programs.

**S. Industry Research Projects**

Where feasible, the Company will continue its participation in relevant research projects conducted within industry for the prevention and elimination of work place hazards.

**T. (Local Supplement)**

**U. The apprenticeship committee at each local plant will make provision for health and safety training for apprentices.**

**V. Working Alone**

The Company will continue to apply its working alone policy. This policy provides guidelines on the assignment of employees, highlight special hazards and recommend rules, procedures and safeguarding systems for the elimination or control of these hazards.

**W. Union Liability**

The International Union, Local Unions, Union and Joint Local Health and Safety Committees and Union members of such Safety Committees/Teams and Union officials, employees and agents shall not be liable for any work-connected injuries, disabilities, diseases, deaths or loss resulting there from which may be incurred by employees of the Company or its subsidiaries or by third parties while on Company property. This is not intended to, and does not, increase the Company's liability in such cases beyond its' normal exposure, if any (i.e., Worker's Compensation).

## **Section 4. Group Insurance And Pension.**

- A. The group insurance plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.

**B. Insurance Claim Review**

The Company recognizes the importance of resolving disputes involving Group Insurance Claims, and the importance of retaining the confidentiality of the information contained therein on behalf of the employee. Therefore, these cases would be treated apart from the grievance procedure in the following manner:

To resolve the disputes and maintain the confidentiality of the claim, the Local Plant Human Resources Manager, or his representative, will review the claim and related pertinent facts with the Local Union Insurance Representative.

This review will be held monthly at a time mutually agreed upon. Five (5) days in advance of this same meeting the Company will provide the Local Union representative information relative to all claim denials, death benefit payments, and those employees who have received 48 weeks of accident and sickness benefit.

- C. The pension plan agreed to between the parties will run concurrently with this Agreement and is hereby made a part of this Agreement.
- D. All disputes or claims arising under or relating to the pension plan shall be processed pursuant to the provisions of the pension plan and shall not be subject to the grievance procedure set forth in Article VII.

## **Section 5. Supplemental Unemployment Benefit Plan.**

The Company and the Union agree in principle on the desirability of providing income protection for employees in periods of layoff through supplemental unemployment benefits. The supplemental unemployment benefit plan will provide protection for employees of the Company. It will be known as the "Supplemental Unemployment

Benefit Plan," and is made a part of this Agreement and attached hereto as a Central Supplement.

## **Section 6. Designated Break Period.**

A specified period for the first shift from 9:00 a.m. to 9:10 a.m.; second shift from 5:30 p.m. to 5:40 p.m.; and third shift from 1:00 a.m. to 1:10 a.m. will be designated as a luncheon period. It is understood and agreed that this designated luncheon period will not become a part of any allowances or segments of time for Direct (Incentive) classifications.

## **Section 7. Jury Service Pay.**

Any employee who has completed his probationary period and who is summoned and reports for jury duty in a court of record (including coroner's juries) or who is required by law to appear and does appear for examination by a jury commission prior to such jury service will be reimbursed by the Company for each day on which he performs such jury duty and on which he would otherwise have been scheduled to work, in accordance with the succeeding provisions of this section:

- A. If he is absent for his entire shift because of such jury duty, he will be paid the difference between his jury duty and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury service.
- B. If he performs such jury duty and works on the same day, he will be paid the difference, if any, between his actual earnings for that day plus the jury pay received and eight (8) hours of straight time pay at his average hourly straight time earnings (excluding shift premium) for the pay period immediately prior to such jury duty.
- C. Time paid for but not worked will not be counted as hours worked for purposes of overtime. Reimbursement to an employee under this section shall be payable only if the employee (i) gives the Company prior notice of his summons for jury duty, (ii) presents evidence satisfactory to the Company that jury duty was performed on the day or days for which such reimbursement is claimed, and (iii) when released or excused from such duty returns to work promptly.

- D. An employee who is subpoenaed for court appearance and is not the plaintiff or defendant, will be paid for such time lost in the same manner as outlined above for jury duty. If an employee is excused from jury service more than five (5) hours after the applicable start time of the first shift employee or less than three and one-half hours prior to the applicable start time of the second shift employee, he will not be required to return to work that day. A third shift employee will be excused from work on either the shift immediately preceding the start of his jury service, or the shift immediately following the completion of his jury service. This is at the option of the employee, however, he must notify his immediate supervisor prior to being absent, and it is not for both the day preceding jury service and the day following jury service.

## **Section 8. Bereavement Pay.**

- A. When death occurs in an employee's immediate family: spouse, child, parent, step-parent, brother, sister, half brother, half sister, current spouse's parent, grandparent, current spouse's grandparent, grandchild, adopted child, stepchild, or a still born child, brother-in-law, sister-in-law, an employee, on request, will be excused for any three (3) normally scheduled days of work (or for such fewer days as the employee may be absent) during the three (3) days (excluding Saturdays and Sundays) immediately following the date of death, provided he attends the funeral. In the event of a memorial service or delayed funeral, the requested days off (for which an employee meets the qualifications under this Article) need not be consecutive but must not extend beyond the day following such memorial service or funeral. A Sunday funeral which is held at a distant location where travel may be required on Monday, will be treated the same as a delayed funeral and such Monday travel day will be considered as an excused day.
- B. When death occurs to the following relatives of an employee: son-in-law or daughter-in-law, the employee, on request, will be excused from work during the day of the funeral, provided he attends the funeral.
- C. After making written application, the employee shall receive pay for any scheduled days of work for which he is excused (excluding Saturdays and Sundays, or in the case of 7-day operations, the sixth and seventh days of the employee's

scheduled workweek), provided he attends the funeral. Payment shall be made at the employee's average hourly straight-time earnings (including shift premium) for the pay period immediately prior to such bereavement leave. Time thus paid will not be counted as hours worked for purposes of overtime.

### **Section 9. Unenforceable Provisions.**

In the event that any of the provisions of this Agreement shall be or become invalid or unenforceable by reason of any federal or state law or regulations now existing or hereinafter enacted, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.

### **Section 10. Scope of Agreement.**

This Agreement disposes of any and all bargaining issues, whether or not presented during negotiations, except with respect to the processing of grievances as provided in Article VII, and shall remain in full force and effect without further change until the expiration thereof.

### **Section 11. Mutual Interests.**

For the purpose of promoting the mutual interests of both parties and with a view toward bringing about a better understanding with our people and more harmonious relations between the Company and the Union, the Company agrees that before instituting (implementing) any changes affecting the hours and working conditions of its employees, it will notify the Union (in writing where appropriate) except in those situations such as emergencies where time does not permit. In all cases, however, the Company will discuss and explain the reasons necessitating such changes. Nothing in this section is intended to add to or take away any of the rights that accrue to either party under the other sections of this Agreement.

## ARTICLE XV TERMINATION

This Agreement (including both Central and Local understandings) shall continue in full force and effect through May 2, 2004 and thereafter from year to year unless sixty (60) days prior to such date either party gives notice in writing of a desire to terminate this Agreement.

INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL IMPLEMENT  
WORKERS OF AMERICA

CASE CORPORATION

By: Richard Shoemaker  
Paul Korman  
James Beardsley  
James R. Atwood  
Jack Reese  
Dennis Williams  
Ray Gulley  
Joseph Kirshel  
Bill Bowling  
John Collings  
Renee Turner-Bailey  
Ron Blum  
Joe Stackpoole  
Leonard Page  
John Snow  
Karl Mantyla  
Chuck James

By: Marc Caator  
Paul Crist  
Tom Graham  
Tim Haas  
Dan Hansen  
Jim Graumale  
Todd Sprengle  
Julie Tennte  
Judy Lejaski

LOCAL UNION NO. 152  
(Burr Ridge)

BURR RIDGE

By: Rick Oldham  
Ralph Geeto

By: Lee Webster

LOCAL UNION NO. 180  
(Racine)

RACINE

By: Pat McManaway  
Richard Tremmel  
Vic Oesau

By: Doug Talbott  
Tom Rodgers  
Julie Cook  
Brian French

LOCAL UNION NO. 887  
(Burlington)

BURLINGTON

By: Wayne Basquin  
Mike Schramm

By: Bob Hamrick

LOCAL UNION NO. 1384

(East Moline)

By: Dean Price  
Viggo Dwyssen  
Bill Hess

LOCAL UNION 1306

(East Moline)

By: Gaylord Vogler  
Mike Andrews

EAST MOLINE

By: Chip Nelson  
Larry Hansen

EAST MOLINE

By: Chip Nelson  
Larry Hansen

**CENTRAL  
SUPPLEMENTAL  
AGREEMENTS  
and  
EXHIBITS**



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## **CENTRAL ADMINISTRATION**

**To: UAW - CASE DEPARTMENT**

**Re: Agency Shop**

In those states where the Union security provisions in the Central Agreement are unlawful, the following provisions concerning Union security shall be in effect for the term of the agreement between Case Corporation and the Union dated July 1, 1974 provided they are consistent with applicable law:

### **Agency Shop.**

Present employees who become members of the Union after the effective date of this agreement and who thereafter fail to retain their membership in the Union, present employees who are not members of the Union, and each new employee who does not become a member of the Union beginning thirty (30) days following the beginning of such employment or the effective date of this agreement, whichever is later, shall as a condition of employment pay to the Union each month a service charge as contribution toward the administration of this agreement and as the representative of such employees. The service charge for the first month shall be in an amount equal to the Union's regular and usual initiation fee, and for each month thereafter, in an amount equal to the Union's regular and usual dues.

### **Checkoff.**

Upon receipt of and pursuant to a lawful written authorization card from an employee, the Company will deduct from the earnings of the second pay period, which is paid the third week of the month, the amount of money (equalling periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union) equal to that paid by other employees in the bargaining unit who are members of the Union. Such amount of money shall be designated in writing by the financial officer of the Union and in accordance with the Constitution and Bylaws of the Union. The Company will remit said deductions to the official designated for this purpose by the Union.

**Indemnification.**

The Union agrees to indemnify and save the Company harmless against any and all claims, demands, or other forms of liability whatever that shall arise out of or by reason of action taken or not taken in connection with this agreement.

**UAW - CASE DEPARTMENT**

**CASE CORPORATION**

**Dated: May 14, 1998**



## **LETTER OF UNDERSTANDING**

### **Re: Annual Insurance Meetings**

During the term of this agreement the Company will schedule annual meetings at plant locations which will be attended by the Local Union President, Bargaining Committee Chairman, Local Union Insurance Representative, and representatives of the Plant Human Resources and Insurance Office, and the Corporate Insurance Office to review insurance claim administration if disputes are unresolved. At the request of the Parties, a representative of the carrier will be in attendance at the meeting.

In addition, an annual meeting will be held at which one representative from the UAW Ag-Imp Department and one representative from the UAW Social Security Department and one insurance representative from each plant location will meet with the Company Benefits and Industrial Relations Directors or their representatives, and representatives of the insurance carrier to discuss insurance plan administration.

Dated: May 14, 1998

CASE CORPORATION

## **LETTER OF UNDERSTANDING**

### **Re: Conducting Joint Sessions**

During these negotiations, we discussed the possibility of conducting joint sessions designed for the mutual benefit of both the Company and the Union. The joint annual Safety and Health, Alcohol and Drug, EEO and CCICS sessions were identified as an example.

After these negotiations, it was agreed that further discussions would be held to identify other such joint efforts. Such discussions will also include the number and selection of participants, duration, location of the sessions and other related matters. Members of these committees will be compensated for lost straight time hours of work, travel and lodging expenses and reasonable meal expenses, provided a receipt is turned in. Further, the Company will pay tuition

fees, if any, as provided to Employee Involvement participants in quality meetings.

Dated: May 14, 1998

**To: UAW - CASE DEPARTMENT**

**Re: Employee And Pension List**

During the life of this agreement, at quarterly intervals, the Company agrees to furnish the International Union and Local Union with a list of all employees and pensioners covered by this Agreement together with their addresses as they appear on the Company's records. The Company will periodically make attempts to keep such information accurate. The International Union and Local Union shall retain such information in confidence and only disclose such information to Union officials whose duties require them to have such information.

UAW - CASE DEPARTMENT

CASE CORPORATION

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Mr. Richard Shoemaker  
Vice President & Director  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214**

**Re: Equality of Sacrifice**

During the current negotiations concerning the economic provisions of the new Agreement, the Union expressed concern that the employees not represented by the UAW contribute equally to those wage and benefit adjustments necessary to achieve mutual growth and job security.

The Company agrees with the position of the Union that all employees should share equitably in the contributions necessary to



achieve that goal. The Company also pointed out that a number of reductions and suspensions in compensation and benefit programs have already been instituted for non-represented employees and, depending on business conditions may be restored and/or resumed.

At the same time, the Company assured the Union that, excluding such restorations and/or resumption of the programs themselves or the monetary value thereof, should any additional paid holidays, paid time off, or general wage increases (excluding guaranteed sharing benefits, merit increases, and cost-of-living increases) be granted to employees not represented by the UAW during the term of the Agreement, any such additional paid holidays, paid time off, or general wage increase will automatically be applied to employees covered by the Agreement.

Paul H. Crist  
Director, Labor Relations

Dated: May 14, 1998

## LETTER OF UNDERSTANDING

### Re: Expedited Arbitration

It is understood and agreed that certain types of grieved matters may lend themselves to a more prompt resolution where necessary proof can be condensed to stipulated facts, documentary evidence and limited testimony, and where the issues involved do not need lengthy, deliberate consideration by the Umpire. In such cases the Company and the Union will cooperate to expedite the arbitration procedure. Written notice of desire to appeal to expedited arbitration must be submitted to the company within five (5) days from the receipt by the Local Union of the Company's Step 3 answer. Wherever it is practical to do so the parties will stipulate the issues and the facts, thereby reducing the time and expense of the trial.

The panel of arbitrators will be contacted to select the arbitrator who has the first available date which is acceptable to the parties.

At the conclusion of the hearing the parties by mutual agreement may waive the filing of briefs and in any event the arbitrator will be urged by both parties to render his decision as soon as possible.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Future Government Controls**

If a governmental agency having appropriate authority holds that any increase in rates of pay or benefits provided for by this Agreement or in any supplement thereto is disallowed or postponed, the Company will periodically, at or near the time the prescribed payments become due place in appropriate bank and/or escrow accounts, an amount of money equal to that necessary to provide the rates of pay and benefits so disallowed or postponed, if so doing is permissible under government regulations. The parties will negotiate means of making available to employees benefits equal in value to any money so deposited in a manner permissible under governmental regulations. All provisions of the collective bargaining agreement unaffected by the governmental rules shall remain in full force and effect.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: C.A.S.E./Temporary Assignments/Poling Practices**

Due to the new C.A.S.E. Job Security Program it is recognized that the Company must have much greater flexibility in its right to assign employees to available bargaining unit work at each location. The Job Security protection available at each location requires the allocation of the required manning levels to the work available unencumbered by the "my job" concept.

It is understood and agreed that the various Local agreements and practices regarding job preference (e.g. poling, lateral moves, rolling, preferred assignment, etc.) within a classification and/or cell and/or department and/or work group/team or may continue to operate but shall not be asserted to restrict the Company's right of temporary assignment during the operation of the CASE Security Program. While such "preferences" may continue for purposes of

establishing the employee's normal job assignment, such language and/or practices shall not restrict necessary job moves and no claims for payment, job right violation or "double shuffle" will be recognized during the duration of the CASE Security Program.

Any claim of unfair or discriminatory job assignments may be asserted on the basis of this letter and dealt with in the normal grievance procedure.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Mutual Acceptance**

During the 1998 negotiations, the parties discussed at length the matters addressed in the Letter of Understanding Re: MUTUAL ACCEPTANCE which became a part of the UAW-Case collective bargaining agreement in the 1990 negotiations.

In the course of those discussions, the parties were reminded of the Letter's original foundation and purpose. After completing this review, the parties agreed to restate that their position on these matters in order to reaffirm certain principles and to clarify or revise others.

#### **Mutual Respect**

It is acknowledged that contacts between the Company and the Union are based on a relationship of respect, understanding and cooperation. Such respect, understanding and cooperation at the Corporate-International Union level contemplates a continuation of contacts between the parties on items of mutual interest as they arise. Such items include, but are not limited to, any relocation, purchase, or building of facilities that manufacture or warehouse traditional agricultural and/or construction equipment. With regard to its Union relations, the Company committed that in those covered facilities it will conduct itself, as it has in the past, in its relationship with its hourly paid employees who perform traditional production and maintenance functions.

### Neutrality

The Company will maintain a neutral position with respect to both the UAW, and Union representation generally, during any organizing campaign conducted by the UAW and directed toward an appropriate unit of unorganized production and maintenance employees at any majority-owned manufacturing or warehousing facilities which are included in the Company's domestic agricultural and/or construction equipment operations. By a neutral position, the parties mean that they will not directly or indirectly attack or communicate anything of a negative or derogatory nature about the other party or about labor unions or employers generally.

### Procedure For Resolving Representation Questions

If the UAW contends that a majority of the unorganized employees in one of the units described above wish to be represented by the UAW, the Company agrees that it will resolve all questions associated with such contention in accordance with one of the following procedures.

First, the Company may agree to resolve such issue by means of a mutually acceptable procedure for confirming the UAW's contention of majority support which will be conducted by a mutually agreeable third party.

Second, if the Company does not agree to resolve the issue as described above, it agrees that any such issue (including but not limited to issues involving voter eligibility and scope of the appropriate bargaining unit) will be resolved by means of an expedited submission to a mutually agreeable third party who will determine the question of representation by means of a secret ballot election conducted on an expedited basis after the Union produces a 30 percent or more showing of interest. With respect to any issue properly submitted to the third party in accordance with this Letter, the determination by such third party shall be final and binding on the Company and the Union. The Company and Union agree that the third party shall apply NLRB law, the third party will not retain jurisdiction after deciding the question of representation, and the third party shall have no power to alter, change, detract from or add to the provisions of this Letter.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Negotiations Meetings**

It is understood by the Company that time spent by Union Officers and Committeemen in Local or Central Negotiations Meetings during the present negotiations will be counted as time worked for vacation, holiday, attendance bonus (if eligible), distribution of overtime penalty and bonus payment, and pension eligibility.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Prearbitration Agenda**

The parties recognize the importance of resolving disputes without referral to outside agencies or services. In this regard, the parties will meet as described in ARTICLE VII, Section 3A for this purpose. Two (2) weeks prior to the prearbitration meeting the Local Union will submit the grievance numbers and alleged violations to the appropriate International Representatives of the UAW and the Plant Human Resources Manager.

These grievances will be reviewed and processed under ARTICLE VII.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Prearbitration Schedules**

The Company and the International Union agree that its representatives will mutually arrange for meeting a maximum of three times during each contract year at Burlington, Burr Ridge, East Moline, and Racine plants to review grievances prior to arbitration.

Dated: May 14, 1998

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## **LETTER OF UNDERSTANDING**

**Re: Seniority Preference Under Article IX,  
Section 14, As It Applies To Members Of The  
Local Union Executive Board**

In view of the recent decisions by the National Labor Relations Board dealing with superseniority, the UAW hereby gives notice that the Union will not seek enforcement of the Seniority Preference Clause in the current labor agreement for any Local Union executive board officer other than the President and Vice President, unless such other members of the Executive Board are responsible for grievance processing and/or on the job contract administration and be in the plant to accomplish their duties directly related to administering the contract.

However, should the NLRB rulings be overturned or modified on appeal, it is the understanding of the parties that, to the extent permitted by such appeal decision, "Seniority Preference" coverage will revert to the provisions currently contained in the respective Central and Local Agreements.

Safety representatives included at Racine, Burr Ridge (Local 152), and East Moline (Local 1304).

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: Special Conditions for Reinstatement  
of Grievances**

During the 1980 negotiations, the parties acknowledged the desirability of ensuring prompt, fair, and final resolution of employee grievances. The parties also recognized that of maintenance of a stable, effective, and dependable grievance procedure is necessary to implement the foregoing principle. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established

and a violation of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee, has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or Union representative involved, the UAW - Case Department will inform the Manager, Corporate Labor Relations in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

Should the Court or an agency (State or Federal) with appropriate authority find that the Union failed to fairly represent an employee, then the International Union and the Director, North American Labor Relations will proceed to establish the procedure for the submission or reinstatement of the complaint or grievance to the grievance procedure.

It is agreed, however, that the Company will not be liable for any claims for damages, including backpay claims arising out of the grievance either that are already barred under the provisions of the Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the grievance procedure, or in any court or before any Federal, State, or Municipal Agency.

Notwithstanding the foregoing, a decision of an arbitrator shall continue to be final and binding on the Union and its members, the employee or employees involved, and the Company. Such grievances shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Central Agreement or appropriate Local Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by an arbitrator or other grievance resolutions.

It is understood this letter and the parties' obligations to reinstate grievances as provided herein can be terminated by either party upon 30 days' notice in writing to the other.

It is agreed that none of the above provisions will be applicable to any case settled prior to the effective date of this letter.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: Special Flood Duty**

Those employees who are called up for flood control duty will be paid up to a maximum of thirty (30) days in any calendar year.

The pay provisions and other requirements as stated in Article X, Section 4 (c) and (d) shall apply.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: V-Cap**

Mr. Richard Shoemaker  
Vice President & Director  
UAW - Agricultural Implement Department  
Solidarity House  
8000 East Jefferson  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

This letter describes our understanding reached during the 1983 negotiations concerning deductions for voluntary political contributions from employee paychecks.



The International Union will furnish the Company, for each employee for whom a deduction is to be made, an Authorization Card signed by the employee containing the following:

- (a) Name and Address
- (b) Plant
- (c) Department Number
- (d) Social Security Number
- (e) Local Union Number
- (f) Dollar/Cents amount to be deducted each period

Cards that cannot be processed will be returned to the International Union for correction.

The Company will make authorized deductions from checks for the third pay period ending in each month, and continuing while the authorization is in effect.

A deduction not made will not be carried forward.

In the month following each deduction, the Company will issue one or more checks (one for each payroll processing unit in existence) payable to UAW V-CAP, in care of the International Union, for deductions made in the preceding month. Overpayment to the Union resulting from canceled employee authorizations will be recovered in a subsequent month.

A computer-generated magnetic tape(s) listing will also be forwarded which will indicate the name, address, payroll location code, local Union number, department number, full social security number, and the amount deducted for employees whose deductions are included in the check. Year-to-date deduction totals will be included in the report.

The Company will pay the actual costs of additional setup and programming, of general administration, computer and machine time, and of processing new authorization changes or cancellations.

Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.

The International Union will collect and forward as one transmittal all signed Authorization Cards and Cancellation Cards for the initial processing and for each quarter to Local Management.

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An Authorization card that is not revoked by the employee shall continue in effect upon reinstatement to active status in the same bargaining unit provided the employee's record is still being maintained by that payroll department.

The Union will indemnify and hold harmless the Company from any and all liability or claims arising from administrative error resulting from the deductions provided for in this agreement.

Paul H. Crist  
Director, Labor Relations

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Striker Replacement**

Over the years, Case Corporation and the UAW have made a sincere effort to resolve issues through the negotiation process and the grievance procedure. In those instances where, unfortunately, strikes have occurred, Case Corporation has, in the interest of our long term relationship, elected to refrain from continuing production operations by hiring new employees as permanent replacements for striking workers. During those few instances in which a strike has occurred, the UAW recognizes that Case must continue to protect equipment, facilities and, most importantly, fulfill its commitments to customers by using salary employees as are available to continue critically necessary operations in an orderly manner.

This course of action by the Company has served the parties well. It has permitted us to address the issues without additional pressure and escalation of the tensions of the situations. Accordingly, it is Case Corporation's intent to continue this policy at this time.

## **LETTER OF UNDERSTANDING**

### **Re: Rapid Improvement Teams**

During the 1998 negotiations the parties agreed upon the implementation of the Case Production System (CPS). In doing so, they recognized that in order for CPS to be successful in creating the environment for a constantly improving workplace, Case, the UAW and all employees – both salaried and hourly – would have to develop and participate in an unprecedented cooperative partnership at all levels of their relationship.

Successful implementation of CPS requires that employees work together to recognize issues or problems, develop alternatives or solutions and then initiate and complete an action plan which addresses that issue or problem. This process is referred to as Rapid Improvement.

When a Rapid Improvement Event involves or directly affects an operation within the bargaining unit, the following procedure will apply:

- (1) The Company will provide written notice to the Local Union no later than three (3) days prior to the start of a Rapid Improvement Event.
- (2) The notice will describe:
  - (a) what the Rapid Improvement Event was created to study, review or analyze (e.g., area, process, function, layout);
  - (b) the expected duration of the Rapid Improvement Event; normally, a Rapid Improvement Event will not exceed five (5) work days;
  - (c) the size of the Rapid Improvement Team,
  - (d) each team will consist of hourly employees and unrepresented salaried employees.
- (3) A Rapid Improvement Team will exist for each Rapid Improvement Event.

- (4) Absent agreement of the Union, each Rapid Improvement Team will be disbanded after the conclusion of that Rapid Improvement Event.

Recognizing that each Team Member has a unique set of skills, experience and knowledge, during a Rapid Improvement Event, each Team Member may be called upon to perform any number or variety of tasks, including those that are non-traditional. The parties recognize and agree that for Rapid Improvement Events to be successful it will be necessary for each Team Member to work as a part of the Team.

## **LETTER OF UNDERSTANDING**

### **Re: New Product Launch And Other Related Demand Periods**

During the 1998 negotiations the parties discussed the unusual, but necessary, operational demands that exist when a facility prepares for and/or commences a product launch, development of prototype components or products, or the addition/elimination of a shift caused by such launch. In light of the operational issues accompanying such demand periods and the adverse effect which employee movement and insufficient manning would have on the success of that event, the parties have agreed to the following procedure.

The Company will notify both the International and affected Local Union, in writing, at least thirty (30) calendar days in advance of the date that the demand period would commence.

In this notice or related communication the Company will inform the Union of:

- the product/prototype component or product that is at issue;
- the expected duration of the launch/build cycle or prototype period
- the contract/work rule/practices issues which could affect the timing, effectiveness, efficiency, cost, etc. for related

business reasons) of the launch/build cycle or prototype period; such issues may include, but not be limited to:

- employee movement
- overtime scheduling
- overtime distribution/charging
- duration of the modifications

Thereafter, the parties will meet for up to, but not more than, thirty (30) calendar days from the date of the notice to resolve these issues. The Union will make a good faith effort to address the issues raised by the Company and will not unreasonably withhold its agreement.

If the parties reach agreement, such agreement shall be in writing and signed by the parties.

## **LETTER OF AGREEMENT**

### **Re: 4 Day - 10 Hour Schedules**

During the 1998 negotiations, the parties discussed the Company's need for increased flexibility in scheduling employees. In recognition of these needs, and notwithstanding the provisions contained in Article XI, Sections 1-6 or any other contract language, side letter or practice to the contrary, the parties have agreed that the Company may schedule employees to work four (4) - ten (10) hour days in a workweek rather than five (5) - eight (8) hour days (or three (3) - twelve (12) hour days) in a workweek. The following guidelines will govern the application of this Agreement.

1. When the Company changes an employee's weekly work schedule, either to a 4-10 schedule or back to a 5-8 or 3-12 schedule, it will notify the Union and affected employees no later than the end of the employee's shift on the fifth workday prior to the date the new schedule will commence (e.g., for a Monday change in schedule, notification will occur on the prior Monday).
2. The 4-10 schedule may be implemented for an employee(s), a crew, a team, cost center, department or all of the unit employees in a plant, only after the parties have mutually agreed to implement this schedule for those affected employees.

3. The 4-10 schedule will be implemented so that individual employees working a 4-10 schedule will work four (4) consecutive days during the otherwise normal workweek (The 4-10 schedule will be either Monday through Thursday and/or Tuesday through Friday).
4.
  - (a) When an employee is working a 4-10 schedule, the local rules governing daily overtime shall apply for daily overtime (i.e., if the local rules allow for one (1) hour of daily mandatory overtime, then one hour of overtime will be mandatory under this schedule) on the employee's regular work days (Monday through Thursday or Tuesday through Friday) and for work on the employee's designated fifth workday (e.g., Monday or Friday). (i.e., if the local rule allows for a full shift of eight (8) hours on Saturday, then the employee may be scheduled for nine (9) hours under this schedule, with a proportional rule applying for less than eight (8) hours). All hours in excess of these limits in any workday shall be voluntary.
  - (b) An employee may be scheduled to work on the employee's designated fifth workday (Monday or Friday) in accordance with the local overtime rules at that location (e.g., the local rules governing Saturday work under a 5-8 schedule shall apply to the fifth workday). For Monday work the employee will be notified no later than the end of the employee's shift on the prior Friday. For Friday work the employee will be notified no later than the end of the employee's shift on the immediately preceding Wednesday.
  - (c) An employee shall not be compelled to work on Saturday or Sunday (their sixth or seventh workday).
  - (d) When an employee is working a 4-10 schedule, such employee will not be required to work overtime on holidays or on the Saturday or Sunday immediately following the Monday through Friday period in which the employee worked the 4-10 schedule. The employee may work any overtime offered to him on these days.
  - (e) When an employee is working a 4-10 schedule on a Tuesday through Friday workweek, Monday shall be considered as the fifth day in that workweek. An employee working a 4-10 schedule on a Monday through

Thursday schedule shall have Friday designated as the fifth day in that workweek. Employees scheduled to work on the fifth day in their workweek (Monday or Friday) shall receive one and one-half times their straight time rate of pay for all hours worked on such fifth day.

(f) If an employee is offered and elects to work on Saturday (their sixth workday) they shall receive one and one-half times their straight time rate of pay for all hours worked on the sixth workday.

(g) If an employee is offered and elects to work on Sunday (their seventh workday), they shall receive two times their straight time rate of pay for all hours worked on the seventh workday.

5. Article XI, Section 4(1) shall be modified for employees working a 4-10 schedule. Employees on a 4-10 schedule will not receive overtime premium pay for hours worked in excess of eight (8) up to and including the tenth (10th) hour in the regularly scheduled workday. Hours worked in excess of ten (10) in any one workday will be paid at time and one-half.

6. (a) When work is performed on a designated holiday, the employee will be paid double time for the hours worked plus the applicable holiday pay if otherwise qualified.

(b) When a holiday falls on an employee's regularly scheduled workday (i.e., the four consecutive day schedule), the employee will be paid ten (10) hours of pay for the holiday at the appropriate straight time hourly rate of pay.

(c) When a holiday falls on one of the non-work days in the workweek (Saturday, Sunday and either Monday or Friday), the employee shall work his normal forty hour schedule at straight time pay and receive an additional eight (8) hours of pay for the holiday at the appropriate straight time hourly rate of pay.

(d) In the event the Company schedules a plant-wide vacation shutdown during a holiday week, an employee absent on vacation during such week will receive eight (8) hours of holiday pay, at the appropriate straight time rate of pay, if otherwise qualified, if the holiday falls on a "non-work day" or, if the holiday falls on a "workday" the

employee, if otherwise qualified, will have the option of receiving holiday pay or an additional PAA day, as noted in Article XI, Section 10 of the Central Agreement.

- (e) In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional eight (8) hours of holiday pay at the appropriate straight time rate, if otherwise qualified, if the holiday falls on a "non-workday", or if the holiday falls on a "workday" the employee, if otherwise qualified, will receive an additional day off with pay, as noted in Article XI, Section 10 of the Central Agreement.
7. Notwithstanding Article XII, Section 6, employees working a 4-10 schedule must use their PAA time in increments of five (5) or ten (10) hours; provided however, that if an employee took four (4) or eight (8) hours of PAA while working a 5-8 schedule or multiples of those, when the employee has less than ten (10) hours of PAA remaining, the employee will be allowed to take such lesser amount on a one-time basis. In addition, PAA hours will be paid off, at the employee's option, as follows:
- (a) Remaining hours over thirty (30) at the end of the last pay period in February.
  - (b) Remaining hours over twenty (20) at the end of the last pay period in March.
  - (c) Remaining hours over ten (10) at the end of the last pay period in April.
  - (d) At the end of the last pay period in May, the remaining hours, if any.
8. Notwithstanding Article XIV, Section 8, when a death occurs in the family of an employee working a 4-10 schedule, the following rules apply:
- (a) If a death occurs to those relatives listed in Article XIV, Section 8, A, the employee will, upon request, be excused for the three calendar days (excluding Saturdays, Sundays and either Monday or Friday based on the employee's schedule) immediately following the date of death, provided he attends the funeral.



- (b) If a death occurs to those relatives listed in Section 8, B, and the funeral occurs on one of the employee's four work days the employee, on request, will be excused from work the day of the funeral, provided he attends the funeral.
  - (c) All other rules, conditions, and limitations contained in Section 8 shall apply.
  - (d) If the employee working the 4-10 schedule is so qualified and eligible, the employee will receive ten (10) hours of pay for each scheduled day of work for which he is excused.
9. Notwithstanding Article XIV, Section 7, when an employee working a 4-10 schedule appears for jury duty on one of his regularly scheduled four working days, the following rules will apply:
- (a) Except as is specifically stated herein, all other rules, conditions and limitations contained in Section 7 shall apply.
  - (b) When an employee is absent for his entire shift because of such jury duty, he will be paid the difference between the jury duty and ten (10) hours of straight time pay.
  - (c) If he performs work and jury duty on the same day, the employee will receive the difference, if any, between his actual earnings for the day plus jury pay received and ten (10) hours of straight time pay.
  - (d) Employees subpoenaed for court appearances and who are not a plaintiff or defendant will be paid for time lost in the same manner as for jury duty.
10. For purposes of qualifying for vacation pay under Article XII, Section 1, C, each ten (10) hour day worked by an employee pursuant to the 4-10 schedule will be counted as one-and-one quarter days worked. This calculation method will be used only for those ten (10) hour days worked while on a 4-10 schedule and will not apply for employees who work ten (10) hours in a day on another schedule.

11. If an employee working a 4-10 schedule becomes disabled within the meaning of the Accident & Sickness Benefit Plan, all rules, conditions and limitations contained in such plan shall continue to apply except that for each day of any portion of a disability period which would have been a regularly scheduled workday for that employee and which is less than a whole week, the amount of Weekly Benefit is obtained by dividing the Weekly Benefit contained in the Plan by four.

## **LETTER OF AGREEMENT**

### **Re: 3 Day - 12 Hour Schedules**

During the 1998 negotiations, the parties discussed the Company's need for flexibility in scheduling employees. In recognition of this need, and notwithstanding the provisions contained in Article XI, Sections 1-6 or any other contract language, letter or practice to the contrary, the parties have agreed that the Company may schedule employees to work three (3) - twelve (12) hour days in a workweek rather than five (5) - eight (8) hour days or four (4) - ten (10) hour days in a workweek. The following guidelines will govern the application of this agreement:

1. When the Company changes an employee's weekly work schedule under the Letter, either to a 3-12 schedule or back to a 5-8 or 4-10 schedule, it will notify the Union and affected employees no later than the end of the employee's shift on the fifth workday prior to the date the new schedule will commence (e.g., for a Monday change in schedule, notification will occur on the prior Monday).
2. The 3-12 schedule may be implemented for an employee(s), a crew, a team, cost center, department or all of the employees in a plant, only after the parties have mutually agreed to implement this schedule for those affected employees.

3. The 3-12 schedule will be utilized to provide six (6) day twenty-four (24) hour operations with four (4) complements of employees working fixed consecutive periods of work during the workweek as follows:

Shift	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1		I	I	I	III	III	III
2		II	II	II	IV	IV	IV

Employees scheduled to a 3-12 schedule will work either a Monday-Wednesday or Thursday-Saturday schedule.

Employees will elect among the four (4) work groups based upon seniority in the job classifications affected, except when it would result in an imbalance between experienced and inexperienced workers or other skill and ability requirements.

4. (a) The shift schedule will normally provide for a one-half (1/2) hour overlap:

Starting & Quitting Times

Shift 1 5:45 a.m. to 6:15 p.m.

Shift 2 5:45 p.m. to 6:15 a.m.

Dinner Period

Shift 1 11:30 a.m. to 12:00 noon

Shift 2 11:30 p.m. to 12:00 midnight

- (b) Where the shifts are established as abutting, e.g.:

Shift 1 6:00 a.m. to 6:00 p.m.

Shift 2 6:00 p.m. to 6:00 a.m.

A twenty (20) minute paid lunch will be provided. The Company may change the starting and quitting times set forth in this paragraph 4 with appropriate notice to the Union and affected employees as provided for in Paragraph 1 above.

5. Except as provided for in paragraph 8, employees on the 3-12 schedule will receive pay for forty (40) straight time hours during each workweek provided the full thirty-six (36) hour

schedule is worked (or vacation, jury, bereavement or holiday payments are paid for the scheduled hours). If fewer than the full thirty-six (36) hour schedule is worked (or paid as noted above), the employee will be paid only for those hours actually worked.

6. (a) Except as provided for in paragraph 8, when an employee is working a 3-12 schedule, such employee may not be required to work more than the scheduled twelve (12) hours on the employee's normal workdays nor may the employee be required to work on any other day during the workweek.
- (b) Except as provided for in paragraph 8, an employee may be offered and accept work on other than his regularly scheduled workdays or work in excess of twelve (12) hours on their regularly scheduled workdays. In such case, and provided that such employee has worked his full thirty-six (36) hour work schedule during the workweek, the first four (4) hours of such work shall be paid at straight time rates. Hours worked beyond twelve (12) on a regular workday or in excess of forty in the week will be paid at time-and-one-half (1-1/2) the straight time rate of pay. Except when it is part of the employee's regular shift hours (either extending into Sunday from Saturday or starting on Sunday as part of his Monday workday) or as stated in paragraph 8, hours worked on Sunday shall be paid at double time.
7. Article XI, Section 4, shall be modified for employees working a 3-12 schedule. Employees on a 3-12 schedule will not receive premium pay for hours worked in excess of eight (8) up to and including the twelfth (12th) hour in the regularly scheduled workday. Hours worked in excess of twelve (12) in any one workday will be paid at time and one-half (1/2). Employees working a 3-12 schedule will be paid straight time and will not receive premium pay for any hours worked on Saturday or Sunday when such hours are part of that employee's regular 12 hour shift on one of his three scheduled working days.
8. The Company may decide that certain operations or areas must operate seven (7) days per week. In such cases the employees working the Monday-Wednesday or Thursday-Saturday 3-12 schedule will alternate in working Sundays to

close in the workweek. In such case, the following conditions will apply:

- (a) As set forth in paragraph 3, the 3-12 schedule will have four crews, identified as I, II, III and IV. On the seven day schedule, Crews I and II will work the first Sunday and Crews III and IV will work the second Sunday, with the crews alternating thereafter.
- (b) Employees on a 3-12 schedule who are scheduled to work Sunday on the alternating 4-12 schedule will not receive forty (40) hours pay for thirty-six (36) hours work as stated in paragraph 5. Nor will the thirty-seventh (37th) through the fortieth (40th) hours of work be paid at straight time as provided for in paragraph 6(b). Rather, the employee will receive thirty-six (36) hours pay for his normal 3-12 schedule (i.e., Monday-Wednesday or Thursday-Saturday) and will be paid time-and-one-half for the twelve (12) hours worked on the alternating Sunday.

- 9. (a) When work is performed on a designated holiday, the employee will be paid double time for the hours worked plus the applicable holiday pay if otherwise qualified.
- (b) When a holiday falls on an employee's regularly scheduled workday (i.e., one of the three consecutive twelve (12) hour workdays), the employee will be paid twelve (12) hours of pay for the holiday at the appropriate straight time hourly rate of pay.
- (c) When a holiday falls on one of the non-workdays in the workweek, the employee shall work his normal thirty-six (36) hour schedule at straight time pay (and pay for forty (40) hours as provided under 5, above) and receive an additional eight (8) hours of pay for the holiday at the appropriate straight time hourly rate of pay if otherwise qualified.
- (d) In the event the Company schedules a plant-wide vacation shutdown during a holiday week, an employee absent on vacation during such week will receive eight (8) hours of holiday pay, at the appropriate straight time rate of pay, if otherwise qualified, if the holiday falls on a "non-work day" or; if the holiday falls on a "workday" the employee, if otherwise qualified, will have the option of

receiving holiday pay or an additional PAA day, as noted in Article XI, Section 10 of the Central Agreement.

- (e) In the event the Company schedules an employee's vacation during a week in which a holiday falls, the employee will receive an additional eight (8) hours of holiday pay at the appropriate straight time rate, if otherwise qualified, if the holiday falls on a "non-workday", or if the holiday falls on a "workday" the employee, if otherwise qualified, will receive an additional day off with pay, as noted in Article XI, Section 10 of the Central Agreement.
10. Notwithstanding Article XII, Section 6, employees working a 3-12 schedule must use their PAA time in increments of six (6) or twelve (12) hours; provided however, that if an employee took PAA under the 5-8 or 4-10 schedule and has less than twelve (12) hours of PAA remaining, the employee will be allowed to take such lesser amount on a one-time basis. PAA hours will be paid off, at the employee's option, in accordance with the payout table set forth in Article XII, Section 6, D.
11. Notwithstanding Article XIV, Section 8, when a death occurs in the family of an employee working a 3-12 schedule, the following rules apply:
- (a) If a death occurs to those relatives listed in Article XIV, Section 8, A, the employee will, upon request, be excused for up to any three (3) normally scheduled days of work (or for such fewer days as the employee may be absent) during the three calendar (3) days (excluding Saturdays and Sundays unless Saturday is part of that employee's regular three day workweek) immediately following the date of death, provided he attends the funeral.
  - (b) If a death occurs to those relatives listed in Section 8, B, and the funeral occurs on one of the employee's three work days, the employee, on request, will be excused from work the day of the funeral, provided he attends the funeral.
  - (c) All other rules, conditions and limitations contained in Article XIV, Section 8, shall apply.

- (d) If the employee working the 3-12 schedule is so qualified and eligible, the employee will receive twelve (12) hours of pay for each scheduled day of work for which he is excused.
12. Notwithstanding Article XIV, Section 7, when an employee working a 3-12 schedule appears for jury duty on one of his regularly scheduled three working days, the following rules will apply:
- (a) Except as is specifically stated herein, all other rules, conditions and limitations contained in Article XIV, Section 7, shall apply.
  - (b) When an employee is absent for his entire shift because of such jury duty, he will be paid the difference between the jury duty and twelve (12) hours of straight time pay.
  - (c) If he performs work and jury duty on the same day, the employee will receive the difference, if any, between his actual earnings for the day plus jury pay received and twelve (12) hours of straight time pay.
  - (d) Employees subpoenaed for court appearances and who are not a plaintiff or defendant will be paid for time lost in the same manner as for jury duty.
13. For purposes of qualifying for vacation pay under Article XII, Section 1, C, each twelve (12) hour day worked by an employee pursuant to the 3-12 schedule will be counted as one-and-one-half days worked. This calculation method will be used only for those twelve (12) hour days worked while on a 3-12 schedule and will not apply for employees who work twelve (12) hours in a day on another schedule.
14. If an employee working a 3-12 schedule becomes disabled within the meaning of the Accident & Sickness Benefit Plan, all rules, conditions and limitations contained in such plan shall continue to apply except that for each day of any portion of a period of disability which would have been a regularly scheduled workday for that employee and which is less than a whole week, the amount of Weekly Benefit is obtained by dividing the Weekly Benefit contained in the Plan by three.

## **SKILLED TRADES**

### **LETTER OF UNDERSTANDING**

#### **Re: Apprenticeship Affirmative Action**

The Company and the Union agree that the Joint Apprenticeship Committee at each plant shall, following these negotiations, meet to consider methods and/or procedures for advancing the apprenticeship selection of minorities. The parties agree that measures of "Affirmative Action" should be considered in such selection. Each Joint Committee is urged to undertake such discussions recognizing the social responsibilities of both parties for minority advancement in the community where the plant is located, the rights of non-minority employees and the company's need for qualified apprentices and skilled trades employees.

The implementations of any new procedures or techniques at each plant shall be by mutual agreement and any agreements which modify, amend, or conflict with the negotiated apprenticeship or skilled trades agreement must be reduced to formal written amendments signed by the parties.

If at any time during the life of this Agreement, the parties fail to reach mutual agreement as provided above and thereafter the Apprenticeship Program falls below required minority levels, the Central EEO Committee will direct the Joint Apprenticeship Committee to adjust its selection procedure.

Dated: May 14, 1998



## LETTER OF UNDERSTANDING

### Re: Apprentice Rate

Apprentices in each of the job classifications covered by this Agreement shall be paid in accordance with the schedule of hourly rates, plus COLA, as follows:

#### % of Maximum Skilled Trades Wage Schedule

Enter up to 1,000 hours	-	75%
1,000 to 2,000 hours	-	78%
2,000 to 3,000 hours	-	81%
3,000 to 4,000 hours	-	84%
4,000 to 5,000 hours	-	87%
5,000 to 6,000 hours	-	90%
6,000 to 7,000 hours	-	93%
7,000 to 8,000 hours	-	96%

Seniority employees entering the program shall enter at the 84% rate or the appropriate wage schedule day rate of his classification whichever is less. In no event will any apprentice start at a rate lower than the 75% level noted above.

Apprentices currently in the program will not experience a reduction in rates as a result of the foregoing agreement.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Cutter and Tool Grind Training Program**

Each Plant Human Resources Manager will discuss the feasibility of implementing a training program for the classification GRIND, Cutter and Tool, and if determined feasible, implement this program.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Proof of Journeyman Status**

Subsequent to the signing of the Agreement between the Case Corporation and the UAW, the Plant Human Resources Managers will send to their respective Local Union Presidents a letter outlining the procedure whereby the Company will instruct a prospective skilled trades employee to follow to secure proper proof of journeyman status.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Skilled Trades Ratios**

The Company is committed to work at the plant level when operating conditions again permit to fill apprenticeship vacancies so as to improve the apprenticeship/journeyman ratio that now exists in various skilled trades classifications at the plants.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Skilled Trades Tools**

Any skilled trades employee who breaks or damages beyond acceptable use a tool which he has provided, when such damage occurs as a result of normally accepted use of the tool, will be furnished a replacement tool when he has submitted sufficient proof that the tool in question was, in effect, broken or damaged while on the job.

Company representatives from each location will continue to meet with their respective local skilled trades committeeman to discuss methods of storing Skilled Tradesmen's tools in a secure manner while they are in and away from the plant. The Company will continue its practice of securing Skilled Tradesmen's tools.

In those instances where metric tools are required to be furnished by current skilled trades employees, the Company will make such tools available initially with the employee providing for any future replacements. If the metric system is installed, the Company may convert tools to the metric system, make Company-owned tools available from the tool crib or replace the employee's present tools.

## **LETTER OF UNDERSTANDING**

### **Re: Training on New Machine Tools During Installation**

When new machine tools are being installed or substantial new modifications are made to existing machine tools, by the vendor, the vendor's agent or contractor and it is determined that portions of this work would be important to and directly related to future expected maintenance and/or repair functions on such equipment which will be assigned to electricians, machine repairmen or other unit skilled trades personnel, an appropriate unit skilled tradesman will be allowed to observe, train, or participate (at the direction of the vendor's representatives and/or the Company) during that portion of this work for a period needed to acquire the necessary familiarity, or training. It must be understood that there will be times when a vendor is performing work directly related to future maintenance or

repairs, that employees will not be able to accompany and train with the vendor due to production needs and the employee's work load.

The Company will provide notice to the appropriate Skilled Trades Committeeman or Steward when vendors, vendor's agents or contractors come into the plant to perform the work mentioned above.

Dated: May 14, 1998

## **EMPLOYEE PARTICIPATION PROCESSES AND JOINT COMMITMENTS**

### **LETTER OF UNDERSTANDING**

#### **Re: Employee Participation Processes and Joint Commitments**

During the 1990 Negotiations, the parties discussed the Company's continuing need to improve quality and satisfy customer orders in a timely manner and at an acceptable cost. In an attempt to get employees involved with these goals, the Company and the UAW agreed to establish a jointly administered employee participation processes which shall increase, not diminish, the responsibilities and obligations of all parties.

These employee participation processes will be based on the fundamental precept that given an opportunity, people have a great deal more to offer than just the strength of their physical labor. These processes will allow individuals to discover their own potential, and put that potential to work in more creative ways. By creating a dedication to the work itself and to continuous improvement in every facet of that work, people will develop pride in workmanship, self-respect, self-reliance and a heightened sense of responsibility. It is the hope of the Company to discover new avenues for employee participation almost daily.

In order to achieve these goals and vision for these processes, the parties have chartered the following commitments, responsibilities, and committees:

1. Joint Commitment

The UAW is joining Case Corporation's commitment to this process because it recognizes the program as an integral part of the Union's continuing commitment to the concepts of operational excellence, flexible manning and production scheduling, optimum utilization of all resources, and manufacture of the highest quality products at the lowest possible cost.

The Company's primary objective and commitment is to grow and prosper. Since the catalyst for its progress is its employees, it recognizes the obligation to keep them employed and improve their wages and working conditions. It accepts Union organizing and collective bargaining as an essential and constructive force in our democratic society.

The Union's primary objective is to improve the quality of life for its members and their families by assuring that they will be treated with dignity and provided with economic security. In addition, it is essential to the Union's purpose to assure that workers are afforded the opportunity to master their work environment; to achieve not only improvement in their economic status but, of equal importance, to gain from their labors a greater measure of dignity, self-fulfillment and self worth.

To achieve the common goal of maintaining and improving the quality of life for employees and their families through Company growth, the Parties are committed to:

- Maintain a prosperous business necessary to maintain fair wages and benefits that will assure a satisfactory standard of living and to provide secure jobs with the opportunity for advancement;
- Provide workers a voice in their own destiny in decisions that affect their lives before such decisions are made;
- Provide that the covered plants and facilities are operated under methods which will promote, to the fullest extent possible, economy of operation, quality and quantity of output, cleanliness and protection of property;

- Work together as a team;
- Build the highest quality products in the world at the lowest possible cost to the consumer;
- Promote full communication over the established policies and procedures;
- Cooperate with established standards of conduct and promote fair and equitable treatment;
- Maintain a safe work place utilizing new and innovative programs that could be a model for use throughout the entire industry;
- Resolve employee concerns through procedures using problem solving and non-adversarial techniques that are based on consensus instead of confrontation;
- Recognize the full worth and dignity of all employees, both bargaining unit and non-bargaining unit, and to treat each other with respect;
- Constantly seek improvement in quality, efficiency and work environment through dedication to world class manufacturing principles, employee participation programs, joint quality efforts and other similar efforts, and
- Recognize and respect each other's rights and perform all responsibilities sincerely.

## II. Management Responsibility

For management, the task will be to reinforce its commitment to employee participation within the corporate culture, particularly at the local level, and to remove obstacles in the path of this innovative approach to participatory management. This will include providing opportunities for individual growth of employees.

In carrying out its commitments, the Company has the exclusive responsibility, to plan, direct, and control Company operations, as specifically stated in Article IV of the Central Agreement. In performing these responsibilities, the Company will inform the Union about the following matters:

- The inauguration or retirement of top management;
- Annual Company objectives;
- Major organizational changes;
- Annual business plans;
- Company's long-range plans and policies;
- Establishment of production schedule(s) and changes;
- Contemplated insourcing or outsourcing decisions;
- Technological changes that will impact the bargaining unit; and
- Other major events.

Additionally, the Company will meet and confer and make its best efforts to reach a consensus with the Union prior to initiating or changing Company policies relating to terms and conditions of employment. The Company shall make no change in Company policies contrary to the terms of this Agreement except as by mutual agreement of the Parties.

### **III. Union Responsibility**

The Union has the exclusive responsibility of representing its membership regarding all terms and conditions of employment and to ensure that they are treated consistent with the term of this Agreement and that they receive fair and equitable wages and benefits.

The Union accepts the responsibility to promote the common objectives and to cooperate with the Company in administering, on a fair and equitable basis, standards of conduct; and attendance plans; to promote constant improvements in quality and productivity; and to cooperate with the Company in dealing with government entities.

### **IV. Employee Responsibilities**

The Company and the Union recognize and accept their responsibility to strive to create and maintain a positive work

environment. In order to accomplish that now and in the future, all employees are encouraged to fulfill the following responsibilities:

- Support the performance of the total team and actively support other members of the team.
- Participate in the setting of and attaining of reasonable team goals;
- Work within reasonable Company guidelines and philosophy;
- Respect the individual rights of others;
- Support and abide by reasonable standards of conduct and attendance policies;
- Promote and support a continuous improvement by continually looking for opportunities to make the Company more efficient through a continuous review and modification of work processes and procedures to conform to world class manufacturing goals.
- Achieve quality goals and improve quality standards;
- Support the team concept; and
- Assist the Company in meeting production goals and schedules.
- Promote good housekeeping and maintain a safe work environment.

#### V. National Committee on Employee Participation Processes

The parties, to further these commitments and responsibilities have formed a National Committee on employee participation comprised of the three (3) members from the International Union and three (3) members from the Company. The purpose of the Committee is to establish and maintain guidelines for the program and provide joint leadership. With mutual agreement this committee may augment its numbers with non-voting associate members from Dealer, Store, Customer or other related councils, as the Committee feels will benefit its goals. This committee will be responsible for:



- Establishing and ensuring strict adherence to policy, giving directions and setting goals for employee participation processes activities on both a Local and/or Central basis, and ensuring that employees participate in such activities only on a voluntary basis.
- Encouraging cooperation in initiating and carrying out Local efforts and goals.
- Provide assistance, direction, and guidance to Local employee participation steering Committees.
- Initiating special programs of common interests.
- Resolving any conflict between the employee participation processes and the grievance procedure or collective bargaining responsibilities.
- Monitoring the effectiveness of the employee participation processes in attaining its goals.

With the solid commitment and participation of both the Union and the Company, these employee participation processes will make employees key participants in many facets of the decision-making process and will result in a team spirit that will make a significant contribution to improved product quality and productivity.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: Absenteeism, Alcoholism and Drug Addiction Committee (Locals 807, 1304, 1306, 152 only)**

In our recent contract negotiation discussion, it was agreed to establish an Absenteeism, Alcoholism, and Drug Addiction Committee with membership consisting of three Company members and three Union members. The Union members will be:

**President**

### **Chairman of the Bargaining Committee**

**A third Local Union member who is knowledgeable and has had experience or training in the field.**

**The Committee will obtain information regarding programs and Community resources for treatment and release jointly such information to supervisors and Union stewards. This committee will also be divided into three subcommittees, consisting of one member from the Company and one member from the Union, each subcommittee concentrating in one area either absenteeism, alcoholism, or drug addiction.**

**A Company supervisor or a Union steward, Union committeeman or official may notify the Committee in writing that an employee has agreed to have his name submitted to the committee for their assistance with his addiction problem.**

**Should the employee concur that there is an addiction problem, he will be referred by the subcommittee to an appropriate agency for assistance.**

**Should the employee deny any addiction problem, his particular situation will no longer be a subject of the Committee.**

**Should the employee for whom assistance was arranged cease his participation in such assistance program, he will no longer be a subject of the Committee.**

**No employee will be discharged for excessive absenteeism nor because of an alcohol or drug addiction problem without first notifying this committee and giving them the opportunity to review the problem.**

**Therefore, when an employee's conduct places him in jeopardy of discharge, the Company will schedule the employee to appear before the appropriate subcommittee. The subcommittee will meet jointly with the employee. Records, such as, prior warnings, absentee records, etc., will be made available by the Company so that the facts of the individual's problem can be established.**

**The subcommittee will offer to the employee an opportunity to explain his problem so that the subcommittee can offer assistance or direct the employee to an agency offering services relative to the employee's problem. Records of each subcommittee meeting will be**

**maintained by the Company and will be available for the Committee review at each meeting.**

**As we discussed, most of the employees appear before the subcommittee because of excessive absenteeism. In order to establish a uniform procedure to deal with absenteeism, the Company has established the following corrective disciplinary action:**

- |                        |  |
|------------------------|--|
| <b>First offense:</b>  | <b>Verbal Warning</b>                        |
| <b>Second offense:</b> | <b>Written Warning</b>                       |
| <b>Third offense:</b>  | <b>Three (3) day disciplinary suspension</b> |
|                        | <b>Appearance before Subcommittee</b>        |
| <b>Fourth offense:</b> | <b>Five (5) day disciplinary suspension</b>  |
| <b>Fifth offense:</b>  | <b>Discharge</b>                             |

**The appearance before the subcommittee after the third offense will be scheduled by the Company, usually during the week following the employee's three-day suspension unless circumstances make it impractical to do so. Any challenge to the employee's absentee records or disciplinary action would be handled through the grievance procedure and the subcommittee's discussion would deal with the employee problem and proposed solution. Also, any information disclosed by the employee to the subcommittee will not subject the employee to disciplinary action by the Company.**

**If an employee's attendance is acceptable for a period of six (6) months or longer, he will be subject to a repeat of the last penalty, rather than progress to the next step. If his attendance is acceptable for a period of one year, he will be subject to a penalty one step lower than his previous penalty. If his attendance is acceptable for eighteen (18) months or longer, he will be subject to a penalty two (2) steps lower than his previous penalty. In the application of the above, periods of absence of fifteen (15) or more consecutive work days will not be counted in the six (6) month measurement period.**

**During the course of this contract a training meeting will be held for supervisors and stewards for the purpose of reviewing recognition and follow-up relating to the Alcohol and Drug program.**

**Dated: May 14, 1998**

## **EQUAL EMPLOYMENT OPPORTUNITY**

The Company and the Union have through their past discussion recognized their responsibility and the desirability of providing individuals equal treatment and opportunity in their employment. During these negotiations the parties have agreed to further recognize their efforts in these areas. Therefore, the parties agree to establish a Joint Central EEO Committee composed of two representatives appointed by the Director of the Union's Agricultural Implement Department and two representatives of the Company to be appointed by the Company. Through this program of Equal Employment Opportunity at both Central and Local levels of operation, the concept of equal opportunity in all areas of employment and the use of the contractual grievance procedure will be further emphasized. The Joint Committee's efforts to achieve prompt analysis, avoidance of the multiplicity of litigation and resolution of those areas that could be the basis for claims of discrimination is recognized to be beneficial to all employees. The Joint Central Committee will meet as required, as is mutually deemed desirable or necessary. The functions of this Committee will be as follows:

- Explore Affirmative Action Programs and concepts that will enhance Equal Employment Opportunity.
- Review and discuss ways and means of encouraging employees to use the grievance procedure as the exclusive method to resolve claims of denial of Equal Opportunity Rights.
- Maintain liaison with appropriate Federal and State agencies in those circumstances where the parties agree that such liaison would be mutually beneficial.
- Advise and counsel the Local EEO Committees.

Each plant will establish a Local EEO Committee composed of two members from the Local Union: the Chairman of the Civil Rights Committee and the President of the Local Union, and in his absence the Chairman of the Local Bargaining Committee, and two members from the Plant Management. In those cases where the Chairman of the Civil Rights Committee is absent, and it is necessary to meet

concerning an EEO problem, a member of the EEO Committee may serve in his absence.

The EEO Committee will meet quarterly or as frequently as mutually desirable or necessary on a date and time mutually agreeable.

The Committee will work together and encourage employees to enter Apprenticeship and Training Programs for upgrading and utilization of skills.

The Committee will review copies of grievances involving discrimination and potential problems relating thereto and make recommendations regarding same.

The Secretary will keep minutes of the meeting with copies provided to the Company and Union representatives following each meeting.

The Company will pay the Union members of the Committee for Company called meetings.

The functions of the Joint Central EEO Committee and the Local EEO Committee shall be advisory, consultative, and cooperative.

While the Company and the Union will welcome the recommendation of the Committees, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from by-passing the grievance procedure with respect to any claim or complaint against the Company which may be made the subject of a grievance under the contract.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Employee Development and Training Program**

During 1987 negotiations the International Union UAW and Case Corporation jointly recognized the need to promote training, retraining and personal development activities which would improve job skills and enhance job security for Case Corporation employees as well as contribute to the competitiveness and well-being of the Company. As a result, the National Joint Executive Committee on Union-Management Relationships (NJEC) will, during the life of this Agreement, develop a joint UAW-Case Corporation Employee

Development and Training Program. The objectives of such a program will be:

- to provide opportunities to both active and laid off employees to upgrade their job skills; and thereby
- to improve the job placement and job retention rights of such employees relative to their seniority; and thereby
- to contribute toward the goal of retaining senior employees at work.

It is intended that the development be completed and such Program be ready for implementation by 18 months following ratification of the 1987 Central Agreement.

Commencing May 18, 1998, 5¢ will be diverted and credited to the Joint Training Account from the previously diverted COLA. This credit will be intended to fund training endeavors developed under this program. The 5¢ will be multiplied by each compensated hour (including overtime premium) and added to the Joint Training Account.

Training programs developed under this Letter of Agreement and the allocation of funds from the Joint Training Account shall be administered jointly by Union and Company members of NJEC.

In the event that expenses of mutually agreed programs exceed amounts accumulated in the Joint Training Account, the Company will contribute additional funds as needed. In addition, the Union and Company will cooperate in attempts to obtain funding for training purposes from various governmental agencies.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: New Technology**

During the course of negotiations the parties discussed the impact of technological progress on the relationship of the parties, the size of the work force, and the training required to equip bargaining unit

employees to function effectively as new processes, methods and equipment become available.

It is agreed that a Joint Central Committee on Technology be established comprised of two members of the Union, and two members of Management. Within thirty (30) days of ratification of this Agreement each side shall notify the other of the identity of its Committee Members. Within sixty (60) days of ratification the Committee shall hold its first meeting and thereafter annually unless it is mutually agreed to meet at some earlier date.

The committee will review problem areas dealing with new machines, methods, and procedures and training and endeavor to resolve existing controversies; study contemplated changes that may be forthcoming and attempt to meet the problems that may arise in terms of work schedules, manpower, and training; deal with problems forwarded to the committee resulting from unresolved items at the various plants locations.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Orientation Program**

The Company and the Union are aware of the importance of improved understanding on the part of new employees joining the Company and the parties addressing themselves to this will undertake the development of a Joint Orientation Program.

This Program will afford the Union the opportunity to inform the new employees of the background of the Union, the role of the Union in providing representation under the current agreement and stress the process that is afforded the employee through the grievance procedure in such proper representation.

It is understood in the development of this Program on the part of both parties the need to stress job responsibility relating to quality workmanship, attendance, and understanding of company rules and regulations.

in developing the program the Company and the Union will determine what subjects and sequence will be used and the manner in which the orientation program will be implemented.

It is the intent that the Local Plant management and the Local Union officials will jointly prepare a mechanical-type of presentation (such as video-tape) wherein the subjects of employee benefits, safety, responsibilities of the Company, the Union and the employees are addressed to enable prompt and effective employee relations.

The Joint Orientation Program will provide for the presence of the Local Union President or the Chairman of the Bargaining Committee during the presentation.

The programs for all plants will be updated, reviewed and used for new employee orientation.

Dated: May 14, 1998

## **PLANT CLOSING OUTSOURCE SUBCONTRACT**

### **LETTER OF UNDERSTANDING**

#### **Re: Plant Closing Moratorium**

During the 1998 negotiations the Union expressed its concern over the future of the facilities covered by this Agreement and represented by the Union. In response to this concern the Company committed that during the stated term of this Agreement (i.e., through May 2, 2004) the Company will not permanently shut down any facility currently represented by the UAW.



## **LETTER OF UNDERSTANDING**

### **Re: Notification Plant Closings**

During these negotiations, the Union expressed concern over the possibility of plant closings. In view of this, when the Company plans for a complete closing of a facility where employees are represented by the UAW, the Company will give 6 months advance notice to the Local Union in the event of a full plant closing.

When requested by the Union, the parties will meet as soon as possible to review and discuss alternatives, if any, to a plant closing. The Company will furnish the Union with the reasons why consideration is being given to closing the plant and will give a projected closing date.

If, after reasonable period for the above discussions, the decision is made by the Company to close a plant, the parties will enter into negotiations to discuss the impact of this decision upon the employees.

However, in the event such 6 months notice would impair the Company's need for speed, flexibility and confidentiality, the Company will give such notice no less than 60 days prior to a full plant closing. Such notice will include the reasons for the closing or the discontinuance of a major function and a tentative date(s).

Dated: May 14, 1988

## **LETTER OF UNDERSTANDING**

### **Re: Plant Preferential Seniority Placement List**

Mr. Richard Shoemaker  
Vice President & Director  
UAW - Agricultural Implement Department

Dear Mr. Shoemaker:

**A Plant Preferential Seniority Placement List will be developed to expand employment opportunities for employees on layoff due to a plant closing.**

**A. Inclusion on the Plant Preferential Seniority Placement List**

**1. Eligibility**

**Employees who are placed on layoff due to a plant closing after the effective date of this contract.**

- 2. a) Each eligible employee laid off due to a full plant closing may make written application through their home plant Human Resources Department for placement at another location. Applications for employment must be made with the Company within 90 days following the last day worked.**
- b) The Company will develop the Plant Preferential Seniority Placement List by plant location from applications received from eligible employees.**

**B. Placement of employees from the Plant Preferential Seniority Placement List will be accomplished in the following manner.**

- 1. a) When an eligible employee has been placed on the Plant Preferential Seniority Placement List, they will be offered the first open job they are eligible and qualified to perform at the applied for location.**
- b) The determination of qualifications in a) above shall include consideration of all prior work experience, demonstrated skill and ability, physical fitness, and other normal hiring standards. Pre-screening physicals may be required when necessary.**
- 2. The most senior qualified employee on either plant Preferential Seniority Placement List will be offered placement on open jobs at the location, after all qualified employees at that location have been recalled from layoff.**
- 3. Once an employee on the Plant Preferential Seniority Placement List, has been placed at the location on an open job, the employee will carry their Company service and previous bargaining unit seniority to the new bargaining unit.**

The employee's recall and seniority rights at the home location will be terminated.

4. An employee on the Plant Preferential Seniority Placement List as a result of a Plant Closing who has been transferred to a new location based on the procedures above, will be eligible for the relocation allowance.

C. Employees will be removed from the Plant Preferential Seniority Placement Lists as follows:

1. When an employee receives a job placement at a UAW location as a result of the above procedures or is recalled to his/her home bargaining unit.
2. If an employee refuses a job offer that resulted from the implementation of the procedures above, they will be stricken permanently from the Plant Preferential Seniority Placement List at the refused location. Such employee will remain on the Plant Preferential Seniority Placement List for other locations applied for and will retain his seniority rights in the bargaining unit from which he was placed on a layoff status.

D. General

1. The Company will not consider any grievances on back-pay liability as a result of the implementation of the provisions of Preferential Hiring. If an employee identifies an error in placement, the Company will correct it in the next available job opening.
2. Recognizing the potential delay inherent in the transfer and relocation of employees between operations and the critical time requirements of production schedule increases, the Company retains the right to fill job openings at plant locations by temporarily assigning employees. In no case will a grievance be considered by the Company as a result of this temporary assignment.

Paul H. Crist  
Director, Labor Relations

Dated: May 14, 1998

## **LETTER OF AGREEMENT**

**Re: Employees Laid Off Due To The Shutdown Of  
The Bettendorf, Rock Island and Terre  
Haute Plants**

During the 1990 negotiations the Union expressed its concern over the status of employees placed on layoff as a result of the permanent shutdown of the Bettendorf, Rock Island and Terre Haute plants. The Company recognizes this concern and states that the benefits, language and commitments agreed to in the Shutdown Agreements negotiated as a result of those closings applicable to these laid off employees which have not yet been satisfied will be adhered to by the Company consistent with the terms of the applicable Shutdown Agreement.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: Retraining & Placement**

Mr. Richard Shoemaker  
Vice President & Director  
UAW - AG IMPLEMENT DEPARTMENT

The Company agrees to form a National Joint Committee on retraining and placement.

### **1. Retraining**

This Committee will be made up of three members from the Union as appointed by the Vice President UAW Agricultural Implement Department and three members from the Company as appointed by the Vice President Corporate Relations for the Company. This Committee will be charged with developing mutual initiatives in retraining, outplacement and placement from within through the Plant Preferential Seniority Placement list during periods of full plant closings.

The Company has agreed to provide a tuition reimbursement program for employees laid off due to a full Plant closing. This program will provide a maximum of \$2,000 for trade, or vocational school training which is job related. Employees will qualify for this tuition reimbursement based on the criteria established in the Tuition Refund Letter of Understanding.

In keeping with this program both parties will work toward securing Government funds which may be available to help defray the costs of retraining.

**2. Outplacement**

Employees laid off due to a full plant closing will be offered assistance in seeking other job opportunities through a career transition service provided by the Company at no cost to the employees. This service will be provided at each of the major manufacturing operations identified by the National Joint Committee on Retraining and Placement. The purpose of this service will be to provide employees with:

1. Information on employment opportunities in the local or nearby communities.
2. Counseling on the types of skills that are marketable in industry in the job market of today and the future.
3. Counseling on how to seek, apply for and acquire employment.

Paul H. Crist  
Director, Labor Relations

Dated: May 14, 1988

## **LETTER OF AGREEMENT**

### **Re: St. Paul Depot Relocation**

During the 1990 Negotiations the Union expressed its concern regarding the possible sale of the St. Paul depot and subsequent relocation of work. Should the St. Paul depot be sold during the term of this contract and should the depot be relocated within fifty (50) miles of the current depot location, the Company will offer existing bargaining unit employees the opportunity to transfer to the

new depot location, will recognize the Union as the exclusive collective bargaining representative of such employees and will apply the then current collective bargaining agreement to those employees.

Dated: May 14, 1988

## **LETTER OF UNDERSTANDING**

### **Re: Major Outsource Decisions**

Mr. Richard Shoemaker  
Vice President & Director  
UAW - Agricultural Implement Department

Dear Mr. Shoemaker:

During the 1987 negotiations, the Union raised a concern over the Company's major work outsourcing decisions and the impact of this activity on employee job security.

The parties share the concern for optimizing job security opportunities for our employees. It is recognized; however, that continued "make-buy" decisions resulting in work outsourcing will need to be continued for the efficient operation and survival of our business.

Recognizing the sensitivity and level of concern over this issue, the Company will agree to the following procedure to provide for Union input into the Company's major work outsourcing decisions. Discussions as set forth below will take place at the International level:

- (1) The Company will provide written notification to the Local Union of contemplated major outsourcing decisions at least sixty (60) days in advance including the reason for the work to be outsourced. This notice period will also be used to share information and have mutual discussions as required.
- (2) Upon request, a meeting will be held within thirty (30) calendar days following such notification, between local Company and Union representatives, to review and discuss major outsourcing

decisions being contemplated by the Company. During this meeting, the Company will provide and discuss:

- a. Reason for the contemplated work to be outsourced
- b. Data required to make the outsourcing decision
- c. Discussion of efficiency requirements and alternatives
- d. The Company will review and consider the discussion and input of the Union prior to making a final outsourcing decision.

(3) The final outsourcing decision will be made by the Company and communicated promptly to the Local Union.

In cases where the Local Union claims that major outsourcing decisions are not being made consistent with the provisions of this letter, these situations may be referred to the International Union. A discussion, regarding these cases, may be held between the International Union and the Corporate Relations Department. Following this discussion, the Company may take action to reverse any major outsourcing decision, in an effort to assure consistent implementation of the Company's commitment on outsourcing. It is understood that the Company's open discussion with the Union of major outsourcing and related plans may require the Union to keep information confidential until the Company consents to its release.

Finally, the Company agreed that, in outsourcing circumstances involving elimination of a product line or complete department, where the criteria of this letter are not otherwise met, the Company nevertheless will provide reasonable advance notice to the Union of such actions and reasons for them.

Paul H. Crist  
Director, Labor Relations

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

**Re: Subcontracting**

The Company agrees that a Subcontracting Committee consisting of not more than three (3) members representing the Union and not

more than three (3) members representing the Company will be established.

Such Committee will meet at mutually agreed upon times in discuss subcontracting.

1. Consistent with good business practices, the Company shall make a sincere effort to keep work within our plants so as to keep our employees employed full time. The Company will keep new work in the tool room and do maintenance work by its own employees as far as practical.
2. It is not the Company's intent to have subcontractors working in the plant on work normally performed by bargaining unit people unless the affected bargaining unit people are working at least the 40 hours (as provided for in the C.A.S.E. Job Security Program recognizing the exceptions provided for under that program). In such cases the Union will be notified prior to the work being performed.

In other situations the Company shall make decisions as to whether work shall be performed by the Company forces in any Company plant, or by others consistent with an intention to maintain as far as practicable, a stable workforce. The Company shall make decisions of such nature with such intention taking into consideration such factors as the scope of the project or production requirements, relative cost, possession and availability of Company equipment and of employees qualified to accomplish the production without undue overtime or delay either of the specific production or of any other scheduled activity, desirability of continuity of relations with historic sources of supply and believed best utilization of all of the Company's plants with a view to a long-term stability and health of the enterprise as a whole. The Company will fully discuss this situation with this Committee before subcontracting the work.

3. If employees are laid off in a particular trade and the Company indicates to the Subcontracting Committee that a contractor is coming in to do work normally and historically performed by that trade, the Company will utilize the following procedure:
  - a) there shall be no obligation to recall if the work to be performed is for one (1) calendar week or less.
  - b) if the work to be performed is for between one (1) calendar week and one (1) month the Company will temporarily assign



the applicable skilled tradesmen who are laid off to other classifications in the plant back to the skilled trades classification(s) affected on a one-for-one basis and if more are required, then recall skilled tradesmen from the applicable trade who are laid off out of the plant on a one-for-one basis, and

- c) If the work to be performed is for one (1) month or more the Company will recall the applicable skilled tradesmen who are laid off and working in the plant and/or on layoff out of the plant on a one-for-one basis.

If the Company knows in advance that the work will exceed one (1) calendar week in duration (or one (1) month), as applicable, the Company will not delay in complying with the intent and obligation of this letter.

- 4. Union members of the Committee shall be the president, chairman of the Bargaining Committee and the skilled trades committeeman.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Skilled Trades Subcontracting**

During these negotiations you have expressed a concern of the skilled trades employees with regard to notification in regard to subcontractors working in the plant.

The problem we discussed dealing with incomplete notification when subcontractors are working in the plant on work normally performed by skilled trades employees will be improved by the establishment of an internal procedure whereby the Manager of Human Resources will be given background information regarding name and type of subcontractors, dates, and time periods of the work to be performed and the type of skill that will be utilized in such work. This information will be available for discussion in the appropriate meeting of the subcontracting committee.

Dated: May 14, 1998

**JOB SECURITY  
C.A.S.E.**

**LETTER OF UNDERSTANDING**

**Re: GEL Administrative Issues**

During the 1995 negotiations the parties reviewed several administrative/interpretation issues. Following ratification the National Job Security Committee will meet to review the updated C.A.S.E. Program and discuss these and other GEL application issues.

BLS  
FILE COPY

# COMPETITIVE AND SECURE EMPLOYMENT PROGRAM

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## **I. DEFINITIONS**

### **A. Bargaining Unit**

The term "bargaining unit", as used in this C.A.S.E. Security Program, shall be defined as, and limited to, those employees covered by Article 1 of the Central Agreement and Article 1 of the Local Supplemental Agreements for the following locations and Local Unions:

Burlington -	Local 807
Burr Ridge -	Local 152
East Moline -	Local 1304 Local 1306 Local 1356C Local 1356T
Racine -	Local 180
St. Paul -	Local 763

### **B. Active Employees**

For purposes of this program, "active employees" shall be defined to include employees actively at work and those employees not at work due to time off for vacation, PAA, bereavement, jury or witness, unexcused absences, short term illness including S & A, a CASE eligible employee on Workers' Compensation, short term military encampment leaves under Article X, Section 4 C, and short term Union leave of absence under Article X, Section 2, B and C, and excluding all employees on any other status including layoff or any other leaves of absence (e.g., LTD, a CASE ineligible employee on Workers' Compensation, Military, long term Union leave of absence under Article X, Section 2 A, etc.).

### **C. Basic Benefit and Employment Protections**

On a seniority basis, all employees will have or earn the following layoff benefits and/or job security protections.

**(1) One Year Seniority**

An employee with at least one (1) year of seniority but less than five (5) years of seniority at the time of layoff, will be entitled to Supplemental Unemployment Benefits while on layoff as provided for in the SUB Plan.

**(2) Five Years Seniority**

An active employee with at least five (5) or more years of seniority at the time such employee is subject to layoff will be entitled to job security protection for each program Year as set forth in I, D of this Exhibit, and based on the employee's seniority (i.e., Five or ten years) at the time of layoff under II below, will be entitled to Supplemental Unemployment Benefits while on layoff as provided for in the SUB Plan.

**D. Job Security Protections**

**(1) Basic Protections of Program**

The basic commitment of the Company is that during the time that an employee is eligible for job security protection, as defined in I, C (2) of this Exhibit, that employee will no longer be subject to layoff beyond those conditions set forth in II. This commitment provides true employment security because the risk of long term layoff and loss of recall rights is virtually eliminated for a protected employee. The obligation to provide benefits to eligible employees under the job security provisions of this Program shall arise, with the exceptions set forth in II below, in the event of any Qualifying Action as defined in D, (2) below.

**(2) Qualifying Actions**

- (a) A Qualifying Action hereunder is any event that would result in any actively working employee, who is eligible for and receiving the job security protection established in I, C (2) above, to be laid off, including but not limited to volume reductions, sourcing decisions, introduction of

technology, productivity improvements, permanent plant closings, and the consolidation of operations, but excluding the actions or events specified in II below.

- (b) The obligation to provide benefits hereunder shall not arise unless one or more Qualifying Actions would otherwise result in the layoff of an eligible employee during the term of the CASE Program. Where applicable, the benefits provided under this Program can be generally defined as the opportunity for active work and/or the other constructive activities and assignments for forty (40) hours in each workweek unaffected by the Qualifying Actions set forth in D (2) (a) above.

#### **E. Layoff**

For all purposes under this Program "layoff" shall be defined as, and limited to, a situation when an employee is not provided with work, is removed from a facility and is placed on layoff status.

#### **F. Program Year**

A program year shall run from the first Monday in April each year to the first Monday in April of the following year; provided however, that due to the seventy-three (73) month duration of the Agreement, and its expiration on May 2, 2004, the seventh program year shall commence on the First Monday in April 2004 and run through May 2, 2004.

#### **G. Loss of Job Security Protections**

An employee who is otherwise eligible for job security benefits and/or protection under the provisions of I, C of this Exhibit, shall lose all of such rights, benefits and/or protection, including those provided for in I, D above under the following circumstances:

- (1) Discharged for "good cause";
- (2) Disciplinary suspension (for the period of the suspension);
- (3) Voluntary termination (including terminations under Article IX, Section 4, Sub-paragraphs (1) and (3) of the Central Agreement) or for any other reason whereby the employee ceases to be an active employee of the Company as defined in 1.B. above;
- (4) Retirement;
- (5) Death;
- (6) Refusing placement into Resource Pool;
- (7) Refusing assignment once in Resource Pool;
- (8) Failure to sign up for Master Recall List after Qualifying Action in the form of a plant closing has eliminated the employee's job (see 1 D (2) above);
- (9) Failure to accept an assignment from the Master Recall List under the conditions set forth under (8) above.

## II. EXCEPTIONS TO JOB SECURITY

A Qualifying Action shall not include any of the following actions or events or actions or events similar in nature thereto. Employees are not protected against the following non-qualifying actions which may result in a layoff or other reduction of the benefits provided under this program including a reduction in the forty (40) hours of available work in each workweek:

- (1) Reduction in the workforce occurring as a result of material shortages, equipment failures or power failures; or
- (2) Reductions in the workforce arising out of or resulting from Acts of God or other events beyond the Company's control; or

- (3) Reduction in the workforce occurring as a result of strikes, walkouts and other forms of labor disputes; or
- (4) A sale of the Company or any covered plant or facility shall eliminate the CASE Program and any of the benefits hereunder for all affected employees, as of the closing date of the sale; or
- (5) (a) Reduction in the workforce of up to thirty-seven (37) workweeks over the term of this Agreement (i.e. March 30, 1998 through May 2, 2004) at each Bargaining Unit for the purpose of reducing or avoiding an increase in finished product inventories and/or model changeover, plant renovation or plant rearrangements. The thirty-seven (37) workweeks exception may be scheduled (in whole or in part) on a departmental basis in each covered Bargaining Unit and may be scheduled for different times and durations for different departments. The layoff and/or recall provisions of the Central and Local Agreements shall not be applicable to such shutdown periods. The thirty-seven (37) workweeks (or any portion thereof) may be consecutive or nonconsecutive, but must be scheduled for full workweek periods; up to two (2) weeks (i.e., ten (10) working days) may be taken in less than full workweeks each year for rolling shutdowns, startups and/or line threading. Individual employees shall not be adversely affected i.e., subject to more than thirty-seven (37) workweeks of shutdown during the term of this Agreement due to change of department and/or location and the Local CASE Committees shall be responsible for assuring this does not occur.
- (b) During any Program Year up to ten (10) days of exception weeks entitlement may be scheduled on a day-by-day basis. Guaranteed SUB payments for scheduled day-at-a-time exception weeks will be \$115 per day.
- (6) Full or partial plant shutdowns during the inventory/vacation shutdown provided for in Article XI, Section 5 of the Central Agreement (not in excess of four (4) weeks in any Program year).



- (7) In the event a Resource Pool created by volume reductions exists at a bargaining unit for a continuous period of three (3) months, the Company may place the number of volume-related Resource Pool employees assigned to the Resource Pool, or any other portion thereof, on additional special exception weeks for up to twenty-six (26) consecutive weeks subject to the following conditions:
- (a) Affected employees will be entitled to full regular SUB benefits for full weeks of unemployment as provided for under the SUB Plan; provided however, that an employee who is entitled to job security protection as set forth in I, D of this Exhibit will remain entitled to full regular SUB benefits for full weeks of unemployment during this twenty-six (26) week period if the employee would have otherwise been ineligible due to his having been placed on the thirty-seven (37) exception weeks prior to the twenty-six (26) week volume reduction special exception weeks, and
  - (b) The Local parties have the option to mutually develop a procedure which would allow more senior employees to be laid off for the special additional exception weeks. This option may be exercised provided the procedure maintains the required skill and ability levels in the unit, and provided further that it is accomplished on a one-for-one direct replacement basis, resulting in no added bumping, bidding, shift preference, or other employee movement.

### **III. RESOURCEPOOL**

#### **A. Purpose of Resource Pool**

A Resource Pool may be maintained for each Bargaining Unit in order to provide continued employment opportunities to employees who would otherwise be subject to layoff. Such layoff and placement in the Resource Pool would be based on their seniority status under the seniority provisions of both the Central and Local Agreements.

#### B. Assignment of Protected Employees in the Resource Pool

When an employee has job security protection pursuant to I, C (2) of this Program, the Company does not have a vacant work assignment for the individual due to a Qualifying Action, the Company will create a Resource Pool and those employees who would otherwise be laid off as a result of the Qualifying Action after application of the seniority provisions of the Central and applicable Local Agreement, shall instead be placed in the Resource Pool. The parties recognize that the scope of such protections requires flexibility with regard to the assignment by the Company of duties and activities to Resource Pool employees and the selection of Resource Pool employees for training. Therefore, the following special assignment rules may be utilized for protected employees who have been placed in the Resource Pool, and such employees in the Resource Pool may be:

- (1) placed in a training program; or
- (2) used as a replacement to facilitate the training of another employee
- (3) given a job assignment within or outside the bargaining unit which may involve non-traditional work (assignment to non-bargaining unit work shall not create any extension of the bargaining unit's jurisdiction nor shall it create any continuing right to perform such work); or
- (4) temporarily transferred to any other Company location in the United States for up to one hundred and twenty (120) work days in any Program year; provided however, that in such case the Company will reimburse the employee for travel and living expenses in accordance with Company policy; provided, however, that temporary assignments under this subparagraph (5) to covered Bargaining Units at other locations shall not be made if employees remain on the recall list at that location (or employees would be recalled to that location under the Master Recall List). Reasonable assignments between Bargaining Units at separate locations for training purposes will not be subject to this restriction; or

- (5) given any other assignment consistent with the purposes of this Program, or
- (6) With regard to employees in the Resource Pools, the Company's assignment of employees shall not be restricted by seniority rules or other practices. Employees assigned from the Resource Pools to temporary assignments in the Bargaining Unit will work the same schedules as the department and/or classification to which they are assigned including any required overtime. Such employees will be treated the same as any other employee with respect to any contractual notice requirements for such overtime unless it is impossible to do so. Any overtime worked by employees while on Resource Pool assignments will not be charged to any overtime unit or group. In the event that the Company assigns no duties to a Resource Pool employee, that employee shall remain available for assignment upon reasonable notice in accordance with rules and procedures established by the Company for administration of the Resource Pools.

Employees, assigned to the Resource Pool, shall be removed from the Resource Pool in seniority order pursuant to the Central and Local Agreements, as vacant work assignments become available, provided they are qualified to perform the work required.

C. The Company and the Union have agreed to the following guidelines to administer the Resource Pools:

- (1) The wage rate of an employee transferred to the Resource Pool shall be established as the regular, straighttime hourly rate of the employee's last regular assignment prior to being placed into the Pool. This shall not include any Red Circle Pay Level, unless assigned to a CCIS application.
- (2) The wage rate of a Resource Pool employee who is temporarily assigned shall be the wage rate of the temporary assignment or the wage rate as established in paragraph (1) above, whichever is higher.
- (3) Resource Pool assignments will be considered temporary and not subject to provisions governing

*permanent filling of vacancies or the application of shift preference.*

- (4) A regular employee who is replaced by a Pool employee so that the regular employee can receive training will be paid the employee's applicable regular straight time hourly rate of pay for the training period. Such employee will be returned to the same classification upon completion of the training assignment subject to the applicable Local Agreement. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed in accordance with the seniority provisions in the Central and applicable Local Agreement.
- (5) A training assignment will be voluntary on the part of an employee being replaced by a Pool employee, unless such training is to develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.
- (6) An employee may refuse the opportunity to be assigned to the Pool or, while in the Pool, decline an assignment. In such event, the employee will no longer be considered in the Resource Pool and will lose all I, C (2) protection. The refusing employee will be laid-off with a right of recall in accordance with his seniority only to a non-Pool position. In no case may the refusing employee then claim a violation of seniority rights of this Program because a less senior employee is working or is in the Pool regardless of the less senior employee's job assignment.

#### IV. EMPLOYABILITY RIGHTS

Except as specifically set forth in this CASE Program, the negotiation of CASE shall not create any additional employment rights for covered employees and shall not in any way affect and/or modify the existing rules or regulations, including the "good cause" standard set forth in Article VII of the Central Agreement, governing the discipline or discharge of covered employees.

## V. ADMINISTRATION

The Company and Union agree that:

- A. At each bargaining unit listed in 1 A, a Local CASE Committee will be established.
- B. The membership of the Committee will consist of an equal number of Management and Union Representatives at each covered location as follows: Racine, Burlington and East Moline - 3 Management and 3 Union Representatives; Burr Ridge and St. Paul - 2 Management and 2 Union Representatives. The Union Representatives shall be determined by the Vice President, Director of the Case Department, UAW.
- C. The duties of the Local Committee will be:
  - (1) Periodically review the size and makeup of the Resource Pool and review the impact of attritional openings as well as future manpower requirements.
  - (2) Monitor the placement of an employee who is assigned to a Resource Pool.
  - (3) Review the assignment of Pool employees to nontraditional work assignments where practicable, both within or outside the Bargaining Unit.
  - (4) Review any complaint regarding the administration of the C.A.S.E. Security Program. Refer unresolved complaints to the National Committee. Only those matters governing the size of the Pool or governing the treatment of an employee assigned to or impacted by the Pool will be subject to the Grievance Procedure.
  - (5) Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities.
- D. A National C.A.S.E. Security Committee will be established at the Company-International Union level consisting of three (3) representatives selected from the Company and

three (3) representatives selected by the Vice President, Director of the Case Department, UAW.

E. The National Committee will meet periodically as required to:

(1) Monitor the efforts of the Local Committees.

(2) Approve Local Committee efforts to improve operational effectiveness and coordinate those actions when appropriate.

F. The National C.A.S.E. Security Committee is specifically empowered to periodically review and evaluate the operation of this C.A.S.E. Program and make mutually satisfactory adjustments to its provisions during the term of this C.A.S.E. Program.

#### **VI. DURATION**

The terms and commitments contained in this C.A.S.E. Program shall remain in full force and effect from March 30, 1998 through the stated duration of this Collective Bargaining Agreement. The C.A.S.E. Program shall automatically terminate, by its own terms, as of midnight, May 2, 2004, unless the Company and the UAW mutually agree, in writing, to either extend the terms of this contract and the C.A.S.E. Program or to continue the C.A.S.E. Program in the successor contract.

## **LETTER OF UNDERSTANDING**

**Re: Application of C.A.S.E. Program Resource Pool Assignments at East Moline Plant**

During the 1995 Negotiations, the parties agreed that when an employee is placed within a Resource Pool, the employee may be assigned to non-traditional work.

The parties recognized the potential impact which this Resource Pool work assignment flexibility could have on historical lines of jurisdiction between Locals 1304, 1306, 1356C and 1356T.

In an attempt to resolve this and other related problems, the parties have agreed to the following amendments to the C.A.S.E. Program and exceptions to the inter-bargaining unit transfer principle which shall be applicable only at the East Moline plant.

- 1) Notwithstanding the language contained in paragraph IV A (2) (C) of C.A.S.E., and the above stated principle, the parties will maintain the separate lines of jurisdictional demarcation (except as otherwise mutually agreed between the Company and the Local Union), and the Company will not transfer employees in a Resource Pool to available work in the other bargaining unit(s) unless there are no employees on layoff in the other bargaining unit and there are no eligible employees on the Master Recall List.
- 2) There shall be no cross-unit transfers into or out of Local 1356C and/or 1356T.
- 3) Notwithstanding the C.A.S.E. Program and paragraph 1). above, the Letter of Understanding dated February 24, 1987, between the Company and Local 1308 regarding experimental work shall remain in full force and effect.
- 4) Notwithstanding the language contained in IV, A of the C.A.S.E. Program, when an employee in Local 1308 is reduced into the Local 1308 Resource Pool, that employee will be subject to displacement only by a more senior employee on layoff who has the present skill and ability to perform the work in that trade (i.e., tool maker, machine repair, experimental, oiler).
- 5) Notwithstanding the language contained in IV, A of the C.A.S.E. Program and in the Letter of Understanding on "Recognition of Local IH Seniority Recall Lists" in the Central Agreements dated June 1, 1985 for Locals 1304 and 1306, a former IH employee covered by those Letters shall not have any right to displace a less senior employee in the Resource Pool unless and until that former IH employee has first been recalled by the Company and become a Company employee.

Dated: May 14, 1993

March 31, 1998

Mr. Richard Shoemaker  
Vice President & Director  
UAW - Solidarity House  
8000 E. Jefferson Avenue  
Detroit, MI 48214

RE: IMPACT OF C.A.S.E. PROGRAM ON LOCAL UNION NOS.  
763, 152, 1306, 1356C AND 1356T

Dear Dick:

During the 1998 negotiations the Union expressed its concern regarding the potential impact of the new C.A.S.E. Program on the Local 152, Local 763, Local 1306, Local 1356C and Local 1356T bargaining units. In response to this concern I assured you that the Company will not use the new C.A.S.E. program for the purpose of eliminating or significantly reducing the Local 763, Local 152, Local 1306, Local 1356C and Local 1356T bargaining units. Should a change in the present business conditions occur, which impacts the Company's requirements, I will notify you, at the earliest practical time, to discuss the situation and possible alternatives.

Sincerely,

Marc Castor  
Vice President, Human Resources

## LETTER OF COMMITMENT

### INTRODUCTION

During the 1998 negotiations the parties discussed the negative impact of ever increasing pricing and competitive pressures and constantly changing market conditions on these covered operations. Both parties also recognized that continuous real improvement in manufacturing efficiencies and flexibilities, as well as employee participation and ownership in the process of constant cost reduction, are critical if these particular operations



are to remain competitive and provide long-term employment opportunities, and agreed that if the Company is to survive in today's intensely competitive agricultural and construction machinery industries, the parties must cooperate in an unprecedented fashion in order to achieve the most efficient manufacturing operations. This Letter of Commitment is an integral step in the parties' joint effort to fully and completely implement demand flow technology and the Case Production System, as well as the initiation of programs designed to transfer, in part, the responsibility for cost reduction to all employees.

In response to these manufacturing and marketplace concerns the parties have, in prior negotiations, and in accordance with the C.A.S.E. Program, attempted to address the need for more efficient operations and increased flexibility by agreeing to work rule and labor contract language changes and understandings. While the Union pledged its continuing commitment to the concepts of flexible manning and production scheduling, optimum utilization of all resources and the manufacturing of the highest quality products at the lowest possible cost, and the Company pledged an equal commitment to these concepts, to provide the resources needed and to promote the modifications in management practices and attitudes necessary at all levels of the Company to bring about the desired results, both parties recognize that Case will not improve or even maintain its current competitive position without the Case Production System ("CPS") and continuous cost reduction.

True employment security comes only from being more competitive in the marketplace by operating the most cost-effective factories with the most efficient, skilled employees. The parties understand that employees are more likely to direct their focus on continuous improvement of product quality and competitive costs and hence, to be more productive, if they have the opportunity to attain certain employment protections. However, the parties also recognize that the original C.A.S.E. program, while moderately successful in that it provided some measure of security for existing employees, may have actually hindered growth opportunities and did not generate growth. Consequently, the parties have agreed to a new C.A.S.E. employment security program, which applies a more realistic approach to job security -- one that arises from a healthy, profitable and competitive enterprise.

### **CPS IMPLEMENTATION**

Implementation of CPS will not only be revolutionary, but also evolutionary in nature. While the parties have attempted to address some of the work rule issues which must be modified to provide the Company with the flexibility necessary to successfully implement CPS in order to create a more efficient and productive manufacturing environment, the parties recognize and understand that during the term of this Agreement other work rule and contract modifications may be necessary. Thus, it is agreed that work rules and contract application issues may be continually reviewed and modified where necessary to facilitate and/or expedite the successful implementation of CPS. Every effort will be made so that any modifications will be jointly developed and approved, giving equal weight to operating efficiency, quality and job opportunities. The Union further agrees that in fulfilling its role in this process, its cooperation, approval and support for implementation of such proposed changes will not be unreasonably withheld.

### **COST REDUCTION**

An integral component to the Company's continued success and hence, its ability to provide true job security, is continuous cost reduction. In the global markets in which Case competes, intense pricing pressures will be the norm, demanding that Case improve its product year after year and offer it at a competitive price. This lofty goal can only be achieved if all Case employees - salaried and hourly - take ownership of and responsibility for continuous cost reduction. The Union agrees with this need and pledges its support and cooperation for implementation of a process to accomplish this objective.

### **INSOURCING OPPORTUNITY**

The Company also agrees to continually review its work loads and schedules and, where appropriate, to insource work that is currently being produced elsewhere. The Union, in turn, recognizes that if the Company is expected to insource work, thereby providing a stronger commitment to employment security, it may be necessary to modify and/or eliminate then existing work rules and practices based on then existing conditions or circumstances in order to make the insourcing an economically justified and cost effective decision. Again, the Union agrees that its cooperation, approval and support for such proposed changes will not be unreasonably withheld.

## **SUBCONTRACTING**

Moreover, the Company intends to take advantage of its improved competitive position by reducing its use of subcontractors where its own employees can perform the work in a more economic, timely and efficient manner than can the subcontractor. As always, when making decisions regarding subcontracting, the Company will review such matters with an intention to maintaining, as far as practicable in relation to its needs, a fully utilized, stable workforce. The Company shall make such decisions with a view toward enhancing the long term stability and health of the enterprise as a whole.

## **CONCLUSION**

In this regard, the parties acknowledge that a central feature of the above commitments to CPS and secure and competitive employment is the Company's long range goal of fully utilizing the skills and abilities of its employees and in the process more efficiently utilizing the capacity and capabilities of its capital assets. The Union understands that the unprecedented job security commitments provided herein have effectively transformed bargaining unit employees from a variable cost to the Company to a fixed cost, making it more important than ever to have a fully utilized and flexible workforce. To this end, and to reemphasize the above commitments, jointly developed work rule modifications will be considered on an ongoing basis in order to more fully utilize the workforce by insourcing new work and bringing back previously outsourced work to the extent practical.

On its part management recognizes that in order for employees to identify with and understand their important role in these operations, they should have an understanding of developments affecting their plants. Therefore an essential part of management's commitment in the CPS and C.A.S.E. programs will be to communicate with all employees, and to familiarize them with relevant manufacturing developments relating to manufacturing goals and objectives.

It is also recognized that employees possess unique experiences and knowledge pertaining to the operations of the business. To fully utilize this resource, the parties will cooperate to form Rapid Improvement Teams aimed at reducing costs, improving quality, and increasing efficiencies in all plants.

Dated: May 14, 1998

## WAGES AND BENEFIT APPLICATIONS

### LETTER OF AGREEMENT

#### Re: Annual Lump Sum Bonus Payments

During the first, second, third, fourth, fifth and sixth years of this contract Eligible Employees (as defined below), shall receive lump sum bonus payments calculated as percentages of the total amount of "Qualified Earnings" (as defined below) received by such Eligible Employee during the applicable "Base Period" preceding an "Eligibility Date". The percentages shall be as follows: 1998 payment - three percent (3%); 1999 payment - three percent (3%); 2000 payment - three percent (3%); 2001 payment - three percent (3%); 2002 payment - three percent (3%); 2003 payment - three percent (3%). The lump sum bonus payment shall be a gross amount and will have subtracted from it the required statutory and contractual deductions.

- A. Eligible Employees shall be defined as those employees who possess seniority in a bargaining unit covered by the 1998 Central Agreement on the applicable Eligibility Date and who actually performed work for the Company during the applicable Base Period.
- B. Qualified Earnings shall be defined as income received by an Eligible Employee from the Company during the applicable Base Period from one of the following sources:
  - 1) Regular Hourly and/or Incentive Earnings and CCICS Performance Payments plus COLA (including shift premium and overtime premiums);
  - 2) Saturday, Sunday or Holiday premium payments;
  - 3) Holiday Pay;
  - 4) Paid Absence Allowance Payments;
  - 5) Vacation Pay;
  - 6) Bereavement Pay;
  - 7) Jury or Witness Duty Pay;
  - 8) Temporary Military Service Make-up Pay;

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- 9) Report-in or Call-back
- 10) Attendance Bonus

**C. Lump Sum Payment Schedule**

<u>Base Period</u>	<u>Eligibility Date</u>	<u>Payment During First Full Pay Period Commencing on or After</u>
December 23, 1996 Through December 21, 1997	March 29, 1998	Approximately one (1) month following ratification
December 22, 1997 Through December 27, 1998	February 7, 1999	March 1, 1999
December 28, 1998 Through December 26, 1999	February 6, 2000	March 1, 2000
December 27, 1999 Through December 24, 2000	February 4, 2001	March 1, 2001
December 25, 2000 through December 23, 2001	February 3, 2002	March 1, 2002
December 24, 2001 Through December 22, 2002	February 2, 2003	March 1, 2003

- D. An employee who retires during a Base Period and who, but for such retirement, would have been an Eligible Employee entitled to such lump sum bonus payment, shall receive a payment in accordance with the provisions of this Letter of Agreement.
- E. In the case of an employee who dies during a Base Period who otherwise would have been an Eligible Employee entitled to such lump sum bonus payment shall have a payment made, in accordance with the provisions of this Letter of

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Agreement, to the beneficiary or beneficiaries of his/her basic life insurance under the Group Insurance Plan.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Alternative Pay Systems (APS)**

In preparation for the transition from individual incentive standards to Alternative Pay Systems (APS), the parties have agreed to the development and implementation of mutually acceptable pilot programs for each UAW facility. The Company and the Union will establish and mutually agree to criteria which set forth the parties APS objectives prior to the Pilot Program development process described herein.

#### Development of Pilot Program

- Alternative Pay System Committees at each facility (maximum of eight employees; four Company and four Union members) will be immediately formed to develop and implement the APS pilot programs.
- A National APS Committee will be formed (two (2) members appointed by the Company and two (2) members appointed by the International Union); the National APS Committee will assist the facility committees and review APS pilot programs submitted for implementation. The Company and/or the Union may separately or by mutual agreement employ experts/consultants to help facilitate their work.
- Outside resources (e.g., gainsharing experts, etc.) will be made available, as requested by the facility APS Committees.
- Plans for pilot programs must be completed by March 1998 and submitted to the International Union and Case Corporate for review and approval.
- The months of May and June 1998 will be used by the Committee at each facility to develop forms, educational/explanatory materials, systems, etc., necessary to facilitate the launch of the new pilot programs effective January 1, 1997. July through October 1998 will be utilized for

communication and training of affected employees prior to the January 1997 commencement of the pilot program.

- By mutual agreement APS pilot programs may be installed for groups of employees prior to January 1, 1997.

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Suspension of Attendance Bonus Time Off**

During the 1987 Negotiations, the parties agreed to modify Article XI, Section 11, covering Attendance Bonus Days, by suspending the time off provisions for the life of this Agreement. During the term of this Agreement, otherwise eligible employees shall only receive pay for their accumulated Attendance Bonus Credits employees shall not be eligible for, or take, any time off.

An eligible employee who has accrued Attendance Bonus credit(s) shall be paid for such accrued Attendance Bonus Credit(s) at the same time the vacation and Christmas bonuses would be paid to qualified employees (as provided for in Article XI, Section 7). Payment, if made, would be at the employee's average straight-time hourly earnings (excluding shift premiums) for the last calendar quarter prior to such payment (plus current COLA and any applicable annual improvement factor).

Any eligible employee who separates, quits, dies, retires, enters the armed forces (other than for temporary military duty) or transfers out of the bargaining unit, shall be paid for all accrued Attendance Bonus credit(s), unless such termination is under Article IX, Section 4, (2) or (3).

Dated: May 14, 1998

## **LETTER OF UNDERSTANDING**

### **Re: Tuition Refund**

The Company has an outstanding policy which provides for company reimbursement of 80% of the cost of tuition, etc., upon successful completion of the course of study provided company approval is obtained prior to enrollment and the course of training must relate directly to work performed in and by the bargaining unit.

There are other details in this statement of policy, but the essential ingredient is the prior approval of the Company.

Dated: May 14, 1998

### **CASE CONTINUOUS IMPROVEMENT COMPENSATION SYSTEM (CCICS)**

During the 1998 negotiations the Company and Union agreed to eliminate the SHP Individual incentive compensation system and replace SHP with a compensation delivery system which is based on a team rather than an individual, and on continuous improvement rather than an inflexible standard. The Case Continuous Improvement Compensation System (CCICS) is a framework for the development and application of a compensation plan which rewards teams of employees for achieving continuous improvement in the operations to which they are assigned. CCICS is based on the following principles:

- Continuous improvement is necessary for the Company to remain competitive.
- Continuous improvement requires the cooperative efforts of all participating employees.
- Participating employees must have the opportunity, through continuous improvement, to increase earnings and maintain a consistent weekly pay level.



## **Section 1. Fundamentals of CCICS**

- A. The CCICS provides group incentive earnings opportunity to an established CCICS Team of employees for attaining continuous improvement, measured on a weekly basis, above the baseline performance standards.**
- 1) As set forth in the Letter of Understanding Re: Plan Process and Implementation, where possible, CCICS Teams will be jointly developed (all manning, schedule, measurement criteria and process decisions to be made by the Company). When the parties cannot agree on a CCICS Team, the Company may implement the Team in accordance with that Letter.**
  - 2) CCICS Teams should be developed around a common factor (e.g., process, component, department, end product, etc.).**
  - 3) The objective of CCICS is to eliminate SHP and transition all SHP operations to a CCICS Team application.**
  - 4) Indirect operations (i.e., non-SHP positions) may be included in a CCICS team application if such inclusion is consistent with the continuous improvement objective, will increase team effectiveness and promotes the team and plant goals.**
  - 5) While the ultimate objective may be to have a single CCICS team which includes the particular plant's entire production/maintenance bargaining unit, this is an evolutionary process and a plant may, consistent with this Section have many teams of various sizes. Inclusion of any skilled trades employee on a Team is subject to Section 1, A, 4 above.**
- B. As set forth in paragraph A, above, continuous improvement (or decline) is measured on a weekly basis (identical to the payroll week). The CCICS Weekly Performance Level is that team's calculated weekly share of productivity change expressed as a percent.**
- 1) Each CCICS Team will have a Weekly Performance Level calculated.**

- 2) The Weekly Performance Level indicates that CCICS Team's share of the productivity change, expressed as a percent, and is determined by:
    - (a) Comparing a particular week's results with the Productivity Baseline, calculating the percentage change and, if an improvement was generated,
    - (b) Multiplying that percentage improvement change by 67% (i.e., the employee's share).
  - 3) The Productivity Baseline may consist of one or more metrics. If one metric is used, the norm (but not the requirement) shall be "productivity", defined as earned (output) hours divided by clock (input) hours (as defined in paragraph C. 1, (a), below). Only the Corporate Administration Committee can approve the use of multiple metrics.
  - 4) If the Company elects to use multiple metrics (e.g., productivity, quality, linearity, safety, etc.), each metric will be assigned a percentage weighting factor. The sum of the weighting factors assigned to each metric shall equal 100%.
    - (a) If multiple metrics are used, the weekly performance for each metric is calculated and then multiplied by its respective metric weighting factor.
    - (b) All of the individual weekly metric calculations are then added together to determine the total Weekly Performance Level.
  - 5) The Productivity Baseline is defined as set forth in B, 3 above and shall be calculated based on the fifty-two (52) week period ending with the last full payroll period of the first calendar quarter of 1998.
- C. Employees assigned to a position within a CCICS Team application will have their weekly pay calculated in accordance with this Section 1.C.
- 1) While participating in a CCICS Team application during a particular week, the employee's CCICS pay will be computed by multiplying the employee's current hourly

CCICS Rate times the employee's clock (input) hours for that week.

- (a) "Clock (input) hours" are defined as all paid time recorded after the employee has "punched in" and before the employee has "punched out" (except for those items set forth in Section 1, F).
- (b) For purposes of this Section 1, the only other exception to a) above is if the employee is assigned to perform a job in a non-CCICS Team application. Such non-CCICS time will not be paid under this CCICS. In such case the employee will be paid the base rate of the job to which the employee is assigned, or if the employee is assigned to an SHP rated job which has not yet been converted, his actual earnings.
- (c) The CCICS Rate for a particular employee will be either:
  - (i) the greater of the Red Circle Pay Level ("RCPL") for eligible employees as defined in the Standard Hour Plan Buyout - Appendix A; or the applicable CCICS rate of the job as set forth in wage schedule 1; or
  - (ii) for employees hired prior to March 30, 1998, who are not eligible for an RCPL, the CCICS Rate of the job (as modified by the 1995 new hire progression, if applicable) as set forth in Wage Schedule 1; or
  - (iii) for employees hired prior to March 30, 1998, who are in a Schedule B wage progression, their RCPL or the applicable maximum CCICS rate (i.e., 36 month level) as set forth in Wage Schedule 1; provided however, that if their RCPL is less than the applicable maximum CCICS Rate in Schedule 1 when they first participate in a CCICS Team, the employee will continue in the wage progression until his hourly rate equals or exceeds the applicable maximum CCICS rate in Wage Schedule 1; or

(iv) for all employees hired on or after March 30, 1998, the New Hire CCICS Rate of the job (as modified by the 1998 new hire progression) as set forth in Wage Schedule 2.

- 2) The CCICS Rate, as defined in C.1 above, will be paid only when the Weekly Performance Level for that CCICS Team equals or exceeds its Productivity Baseline.
  - (a) When the Weekly Performance Level exceeds the Productivity Baseline, the employee's weekly pay will not be affected for that week and the CCICS Rate will be paid.
  - (b) When the Weekly Performance Level exceeds the Productivity Baseline, sixty-seven percent (67%) of the earned hours in excess of the Productivity Baseline will be allocated to the CCICS Reserve Fund. If the Company elects to use multiple metrics, a conversion and pay out formula will be determined in accordance with the Letter of Understanding Re: Plan Process and Implementation.
- 3) If the CCICS Weekly Performance Level for that CCICS Team is less than 100% of its Productivity Baseline, and there are sufficient earned hours in the Reserve Fund, the earned hours required to raise the Weekly Performance Level to 100% of the Productivity Baseline will be provided equally from the CCICS Reserve Fund and the Company. In such case, the CCICS Rate will be maintained for that week in which a build-up occurred.
- 4) If the CCICS Weekly Performance Level for that CCICS Team is less than 100% of its Productivity Baseline and there are no earned hours in the Reserve Fund, the CCICS Rate will be reduced by a percentage amount equivalent to the percentage shortfall of the Weekly Performance Level under the Productivity Baseline for that week. In such case, the hourly pay will be reduced for the same week in which the shortfall occurred.
  - (a) A shortfall will not result in the applicable pay rate being reduced below the applicable CCICS Base Rate; provided however, that employees with an RCPL shall have a CCICS Base Rate equal to the higher of the Wage Schedule - 1 CCICS Base Rate or

the employee's RCPL divided by 115%; provided further, that employees classified as Schedule A or C on the RCPL eligibility dates who are not entitled to an RCPL will be guaranteed the non-CCICS/indirect rate times his clock hours as the minimum weekly pay when initially assigned to a CCICS application. This guarantee will extend for six (6) months from the date of this permanent assignment.

- (b) An employee's pay rate will return to the CCICS Rate for the first week in which the Weekly Performance Level equals or exceeds the Productivity Baseline.

- 5) If the CCICS Weekly Performance Level for that CCICS Team is less than 100% of its Productivity Baseline and there are insufficient earned hours in the Reserve Fund (when combined with the Company's matching hours) to raise the Weekly Performance Level to 100% of the Productivity Baseline all of the available Reserve Fund hours and the matching Company hours will be added to the Weekly Performance Level. After such application, the CCICS Rate will be reduced by a percentage amount equivalent to the adjusted percentage shortfall of the Weekly Performance Level under the Productivity Baseline for that week. In such case, the hourly pay will be reduced for the same week in which the adjusted shortfall occurred.

- 6) When the Weekly Performance Level would provide an hourly rate less than the CCICS Base Rate after the application of Reserve Fund and Company matching hours, the Company will provide additional hours to raise the Weekly Performance Level to the point where the CCICS Base Rate would be paid. Thereafter, the Weekly Performance Level (and the hourly rate) may be built up in accordance with paragraphs C.3 and 5 above.

- D. A CCICS Semester shall be twenty-six (26) consecutive calendar weeks. A CCICS Average Semester Plan Performance Level for each CCICS Team will be calculated at the end of each CCICS Semester.

- 1) When the CCICS Average Semester Plan Performance Level is less than the Base Adjustment Level of 105% (of the Productivity Baseline or, if multiple metrics are used,

for any metric), the Productivity Baseline (or individual metrics) will not be changed for the next semester. The Base Adjustment Level of 105% represents only the Team's 67% share (e.g., an adjustment occurs only if the semester average exceeds 107.46%).

- 2) When the CCICS Average Semester Plan Performance Level equals or exceeds the Base Adjustment Level of 105% (of the Productivity baseline or, if multiple metrics are used, for any metric), a Baseline Adjustment will be made to the Productivity Baseline (or, if multiple metrics are used, for any metric equaling or exceeding the Baseline Adjustment Level).

- (a) In such case, the Productivity Baseline (or, if multiple metrics are used, each eligible metric) will be adjusted upward by 6.65% (e.g., the percentage factor equal to 67% of the difference between the improved productivity percentage rate that triggered the adjustment (i.e., 107.46%) and the employee share level of that rate (i.e., 105%)).

- (b) In exchange for this adjustment, the Company will distribute a Buy Back Allowance of additional paid hours to the Team participants equivalent to 5% of the Team's input hours, factored by the performance metric's weighting. Overtime premiums required by statute will be paid with the Buy Back Allowance.

- 3) If a Buy Back Allowance is earned for a particular metric (single or multiple metric Baseline) during the current semester, and a Baseline Adjustment was made, as set forth in D.2 above, and a Buy Back Allowance/Baseline Adjustment was made for that same metric in one or two of the immediately preceding semesters, then an additional payment equal to the current Buy Back Allowance for that metric will be paid.

- 4) Reserve Fund Hours remaining at the end of the semester will be distributed to that CCICS Team's participants at the end of that CCICS Semester.

- (a) Remaining Reserve Fund Hours shall be defined as the accumulated weekly reserve fund hours less any hours used to raise the Weekly Performance Level.

(b) The next CCICS Semester will start out with zero hours in the Reserve Fund.

5) The Reserve Fund Hours and the Buy Back Allowance, if any, will be paid out to that CCICS Team's participants in accordance with the following:

(a) The pool value of the remaining Reserve Fund Hours will be calculated by:

(i) determining the number of remaining Reserve Fund Hours which are attributable to each of that Team's participants; and

(ii) multiplying the applicable number of hours for each participant by that participant's applicable wage rate; and

(iii) totaling these sums

(b) The remaining Reserve Fund Hour pool value will then be distributed to each of the Team's participants by multiplying each of the Team participant's input factor by the pool value.

(c) The input factor is calculated by dividing each participant's input hours in that Team for that semester by the total Team's input hours for that semester.

E. The Productivity Baseline metric (or, if the Company elects to use multiple metrics, each of the separate metrics) will be established using historical data, if available. If historical data is not available, or is not available in a usable manner, the applicable standards may be established through one of the following methods:

1) comparative data; or

2) time study; or

3) standard data; or

4) plant data; or

5) predetermined time systems; or

- 6) video or laboratory analysis; or
  - 7) work sampling; or
  - 8) part family analysis; or
  - 9) any combination of the above or any other accepted industrial engineering technique, so that Weekly Performance Levels equal to the Productivity Baseline Standard (or metrics) will yield the CCICS Rate pay level.
- F. When establishing the Productivity Baseline (or, when multiple metrics are used, for the appropriate standards) or, when accumulating plan input hours to calculate a Weekly Performance Level, the following categories of employee's time will not be counted and will be excluded from such accumulations:
- 1) paid lunch hours
  - 2) training of eight hours or more on a non-CCICS application or job; or for purposes of establishing the Productivity Baseline, training unrelated to the position which was later included in the CCICS application
  - 3) catastrophic downtime
  - 4) special projects/assignments outside of the CCICS plan; or for purposes of establishing the Productivity Baseline, special projects/assignments unrelated to a position which later became part of a CCICS application
- G. All clock hours not included as plan input hours will be paid at the appropriate CCICS Base Rate (except for employees hired after March 30, 1998 remaining in the appropriate wage progression schedule, who will receive the appropriate pay level for their seniority).

## **Section 2. Maintenance of CCICS Applications**

- A. In addition to the Baseline Adjustment described in Section 1 paragraph D. 2, adjustments will be made to the Productivity Baseline (and individual metrics where appropriate) and/or output metrics for other conditions. These conditions are as follows:



- 1) When the Company invests \$50,000 or more, or \$5,000 per full-time Team participant, whichever is less, in a CCICS Team (e.g., new machinery or equipment; major repair or refurbishing; asset rearrangement or relocation; infrastructure improvements, etc.).
  - (a) If an investment results in improved performance, the Baseline adjustment will account for only eighty per cent (80%) of the calculated labor improvement to allow employees time to adjust to the change.
  - (b) If an investment directly results in, or causes, performance deterioration, the adjustment will account for the full affect of the deterioration.
- 2) When the Company and Union agree that a change is necessary to assure the on-going competitiveness of that CCICS operation.
- 3) When new work is moved into that CCICS Team from another area or work is removed from the CCICS Team.
- 4) When direct labor (in the form of additional staffing or manning) is added to or removed from that CCICS Team.
- 5) When new or revised products are introduced to that CCICS Team.
  - (a) In such case, output metrics for the new and/or revised products will be established in accordance with Section 2, B based on the design and methods or processes of manufacture for the new and/or revised product.
  - (b) At that time, the Company may elect to update the output metrics of all products produced by that CCICS Team.

B. Output metrics in, or for, CCICS applications will be established using procedures or other accepted industrial engineering techniques such as:

- 1) comparative data; or
- 2) time study; or

- 3) standard data; or
- 4) plant data; or
- 5) predetermined time systems; or
- 6) video or laboratory analysis; or
- 7) work sampling; or
- 8) part family analysis; or
- 9) any combination of the above

C. For each CCICS Team application, output metrics will be governed by the following:

- 1) Output metrics shall not be modified during the term of this Agreement except as provided for in Section 2, A above.
- 2) Information on all output metrics for a CCICS Team set during the term of this Agreement shall be kept in an accessible place for review, upon written request, by designated and appropriate Union officials during regular business hours.
- 3) Data or procedural analysis used in accordance with Section 2, B to set an output metric will, upon written request, be made available for review by designated appropriate Union officials during regular business hours.
- 4) In the event that an output metric is questioned, the Company will make every attempt to resolve the issue. If the Company is unable to resolve the issue after completing its investigation and analysis, the UWSR will conduct a joint study with the Company representative. If this analysis does not resolve the issue, it will be submitted to the CCICS Plan Process and Implementation Letter procedure.

D. In the event that a CCICS application is not producing the desired results, the parties agree to meet, determine the extent of the problem and develop alternatives or solutions

which are consistent with the intent of, and within the framework of, the CCICS.

## **APPENDIX A**

### **STANDARD HOUR PLAN TRANSITIONAL BUYOUT**

During the 1998 negotiations, the Company and the Union agreed to eliminate the SHP individual incentive system and replace it with the CCICS. In order to provide employees with the opportunity for comparable earnings, the parties have also agreed to this Standard Hour Plan Transitional Buyout.

The Transitional Buyout will be accomplished by providing eligible employees with a Red Circle Pay Level ("RCPL") which will be applied when that employee is working under the new CCICS. An eligible employee's RCPL will be used for computing his earnings when the employee is working in a CCICS application.

#### **A. Eligibility**

1. To be eligible for an RCPL, an employee must have been:
  - a) permanently classified, and working, in a "Schedule B" classification (as set forth in the 1995 Agreement) as of March 29, 1998, or
  - b) assigned (bid or transferred) to a Schedule B job during the "no contract period" (March 29, 1998 to May 14, 1998) or,
  - c) eligible for recall (had recall rights) to a Schedule B job on March 29, 1998, and will receive an RCPL upon recall to a Schedule B classification. Where no incentive earnings history are available during the applicable computation period, the RCPL shall be determined using the class/dept average method, as of March 29, 1998.
2. Employees will not be eligible for an RCPL if they do not satisfy paragraph A.1 above. Examples of employees not eligible for an RCPL include the following:

- a) employees permanently classified in a Schedule A or C classification as of March 29, 1998; (except as noted in A.1.c) ).
- b) employees working in a Schedule A or C classification as of March 29, 1998 who had been previously reduced out of a Schedule B classification; (except as noted in A. 1. c) ).

**B. Calculation of Red Circle Payment Level**

Employees eligible for an RCPL pursuant to paragraph A.1 above shall have their RCPL calculated in accordance with the following procedure:

- 1. The Computation Period ("CP") for the calculation of the RCPL shall be the fifty-two (52) week period ending with the last full payroll period in the first calendar quarter of 1998; provided however, that for an employee in the 1996-1998 new hire progression, the Computation Period shall be the twenty-six (26) week period ending with the last full payroll period in the first calendar quarter of 1998 or, if the new hire has not yet worked twenty-six (26) weeks, that new hire's period of employment as of the same last full payroll period.
- 2. The RCPL shall be calculated as follows:

$$\frac{\text{CP Base Wages}}{\text{CP Clock Hours}} = \text{RCPL}$$

- 3. For all purposes under this Buyout provision, "CP Base Wages" shall be defined as, and limited to, all wages earned by, and paid to, the employee during the Computation Period as listed below:
  - a) base wage and incentive earnings while working in a Schedule B classification;
  - b) base wage and off standard condition payments while working in a Schedule B classification;
  - c) off standard payments while in attendance at work but when the employee was not working (e.g.; training or instructing);

- d) base wages paid while the employee is performing work in a Schedule A or C classification.
4. "CP Base Wages" shall not include any payment not listed in paragraph B.3, including the following payments:
- a) shift premium
  - b) COLA
  - c) vacation pay
  - d) holiday pay
  - e) SUB (including short work-week and GEL payments)
  - f) disability payments (A&S, LTD)
  - g) vacation/Christmas bonus
  - h) P.A.A.
  - i) Attendance Bonus
  - j) overtime penalty payments (or as used as a P.A.A. day)
  - k) G.S.B.
  - l) annual lump sum payments
  - m) overtime premiums
  - n) Saturday, Sunday or Holiday premiums
  - o) bereavement pay
  - p) jury or witness duty pay
  - q) temporary military service make-up pay
  - r) back-pay/grievance payouts (other than SMP or classification)
  - s) any imputed income
  - t) paid union time
5. For all purposes under this Buyout provision, "CP Clock Hours" shall be defined as, and limited to, all hours in which the employee was in attendance at work as recorded by the labor reporting system, if such time was not recorded into the system.

**C. Application of the RCPL**

- 1. Employees eligible for an RCPL pursuant to paragraph A.1 above, shall receive the RCPL only when the employee is working in a CCICS application.
- 2. Employees eligible for an RCPL pursuant to paragraph A.1 above, shall retain the RCPL if the employee successfully bids into a vacant position, is reduced to a

position or temporarily transferred to a position that is part of a CCICS application.

3. While working in a CCICS application, an employee eligible for an RCPL may receive less than that rate as provided for in Section 1 C of the CCICS Plan.
4. Eligible employees will not receive the RCPL for any time worked in a non-CCICS application. In such cases, the employee will receive the base rate for that classification (plus incentive earnings, if applicable); provided however, that if an RCPL eligible employee is temporarily transferred to a non-CCICS indirect application the employee will receive the corresponding "non-CCICS/indirect" rate of his classification or the "non-CCICS/indirect" rate of the job to which he is transferred, whichever is greater or, if temporarily transferred to a non-CCICS direct application the employee will receive the "non-CCICS/SHP" rate of his classification or the "non-CCICS/SHP" rate of the classification to which he is temporarily assigned, whichever is greater (plus incentive earnings).
5. Eligible employees who do not receive their RCPL because they are working in a non-CCICS application due to a reduction in force, permanent transfer or temporary assignment will regain the RCPL when they return to a CCICS application.
6. If an employee working in a CCICS application who is not entitled to, or eligible for, an RCPL is temporarily transferred to a non-CCICS application, the employee will receive:
  - a. If transferred from CCICS-Direct to non-CCICS-Direct, the "CCICS Base Rate" of his job or the "non-CCICS/SHP" rate of the job he is temporarily transferred to, whichever is greater (plus incentive earnings); or
  - b. If transferred from CCICS-Direct to non-CCICS-Indirect, the corresponding "non-CCICS/indirect" rate of his classification or the "non-CCICS/indirect" rate of the job to which he is transferred, whichever is greater; or

- c. if transferred from CCICS-Indirect to non-CCICS-Indirect, the "non-CCICS/Indirect" rate of his job or the "non-CCICS/Indirect" rate of the job he temporarily transferred to, whichever is greater; or
- d. if transferred from CCICS-Indirect to non-CCICS-Direct, the "non-CCICS/Indirect" rate of his job or the "non-CCICS/SIP" rate of the job he is temporarily transferred to, whichever is greater (plus incentive earnings).

**D. Duration of the RCPL**

- 1. The RCPL is personal to each eligible employee. An employee who is not eligible for an RCPL pursuant to paragraph A.1 will not become eligible by filling the position of an employee who was eligible.
- 2. The RCPL will automatically expire, and will not be reinstated, if the employee's employment is terminated for any reason.

## **LETTER OF UNDERSTANDING**

### **Re: Plan Process and Implementation**

During the 1998 negotiations the parties recognized and agreed that if the Company is to remain competitive, it must continuously improve its product quality, reliability and productivity. In order to maximize these efforts and minimize or eliminate the obstacles to an environment focused on teamwork, problem solving and continuous improvement, the parties jointly concluded that the current compensation system based on individual incentive payments is obsolete and must be replaced.

Achieving continuous improvement in the manufacturing environment will require the best efforts of all employees. Therefore, the compensation delivery system should encourage and motivate all covered employees to utilize their knowledge, training, experience and talent in initiating, expecting and

accepting changes and in managing their workplace on a daily basis to promote and attain continuous improvement.

Both parties realize that they must create and support a new culture which allows the Company to remain competitive and provide premium wages to its employees. An orderly, but timely, transition from the Case SHP system, set forth in Article XIII, Sections 5 and 6 of the 1995 Agreement (Exhibit A. herein), to the Case Continuous Improvement Compensation System ("CCICS"), set forth in CCICS Plan, is critical to the continued competitiveness of the Company's manufacturing operations.

To facilitate this transition and maximize employee support and involvement in this process, a joint CCICS Committee will be established at each manufacturing site. Each site specific committee will consist of three (3) Company representatives and Union representatives as follows:

Burlington	- 3 (Local 807)
East Moline	- 3 (Local 1304)
Racine Tractor	- 3 (Local 180)
Racine Transmission	- 3 (Local 180)
Racine Foundry	- 3 (Local 180)

The Company will designate its representatives, one of whom shall be the Manager, Human Resources. The Local Union shall designate its representatives, one of whom shall be the Chairman of the Bargaining Committee.

The role and/or function of the CCICS Committees will be to:

**Plant Joint CCICS Committee**

1. Establish and/or review plans and timetables for the transition from SHP to CCICS in specific applications.
2. Establish and provide guidance to, and oversight of, CCICS Implementation Teams.
3. Discuss and resolve local plant CCICS issues.

A CCICS Joint Implementation Team will comment on, and assist in, each CCICS application. It is the intent of the parties that a Joint Implementation Team will exist for a specific CCICS



application and transition from SHP. The role and/or function of these teams will be to:

**CCICS Joint Implementation Team**

1. Develop CCICS applications within the parameters established by the Plant Joint CCICS Committee.
2. Identify communication and training requirements for CCICS participants.
3. Assist in implementing and maintaining that specific CCICS application.

Both parties believe this process will eliminate the issues normally associated with these types of significant changes. However, in the event that issues involving the Case Continuous Improvement Compensation System, or the details of a specific CCICS application established within its framework, cannot be resolved through this involvement process, the Company may elect to implement that CCICS application. The issue(s) will be referred, in writing, to a Central CCICS Committee composed of representatives from the International UAW and the Case Production System and Labor Relations departments. If this committee cannot resolve the issue(s) then the Union may refer the grievance to Step 3 of the Grievance Procedure.

In accordance with Article V and Article VII of the Central Agreement disputes over CCICS, absent resolution by the parties, will ultimately be resolved in the contractual grievance/arbitration procedure. If such disputes are referred to Step 3 of the grievance procedure and the grievance is appealed to arbitration, the Union will have, as an alternative to arbitration, the option of moving the matter to the procedure set forth in Article V, Section 2; provided however, that no strike will occur over these unresolved issues in that CCICS application prior to the end of the first semester of that CCICS application (i.e., 26 weeks). The Company implemented CCICS application will remain in effect unless expressly changed by the outcome of these proceedings.

It is further understood that the application of the Case SHP to a specific task or tasks will terminate upon the implementation of a CCICS application and will not be reinstated.

The parties also recognize that, to maximize the success of this transition from SHP to CCICS, education and training in the CCICS

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Plan will be critical. This process may include the use of outside consultants.

## ATTACHMENT A

### Re: RCPL's and Union Officials - Current Union Official RCPL Calculation and Use

#### Part time

The Company will exclude all union hours and equivalent pay for union time from Union officials RCPL calculations. Therefore the calculation will then be similar to any other employee calculation. The Union official would then have a "clean" RCPL for use when they become a member of and are working in a CCICS application.

When they check out for "Authorized Union Activity" as designated in the collective bargaining agreement, they would then be paid the CCICS rate (not their RCPL) which is the equivalent of 115% of old Schedule B. This rate corresponds to the payments in past and current labor agreements.

If that part time Union official leaves office, the RCPL continues to be appropriate for use, as it does not contain any Union Pay. The RCPL will be the payment used for calculation of Vacation, Paid Absence Allowance, Attendance Bonus payments and Holiday Pay.

#### Full time

Full time officials who do not have any regular hours of work on their job, (only work overtime or occasional performance on their job) would have union time dominate their RCPL calculation. Therefore, as with part time representatives, the RCPL will be recalculated. The representatives will be paid their CCICS rate (old B plus 15%) for "Authorized Union Activity". They should have an RCPL developed, if they would otherwise have been eligible, for use when they perform work in a CCICS application. Averaging the RCPL's of the classification and department to which the Union Representative is assigned (home department and classification) will develop the RCPL. The RCPL is only applicable for use as payment for time worked by the full time representative in a CCICS application and/or for use as the

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payment used in the calculation of a Vacation, Paid Absence Allowance, Attendance Bonus payments and Holiday pay rate.

Full time representatives would likewise have this calculated RCPL for use if they leave office for any reason and return to work. It is assumed that they would return to their home department and classification.

## **Page 2. (Union Representatives and RCPL's cont.)**

### **New Union Officials (full time or part time)**

Newly elected or Union officials who come into office after the date of this agreement (May 14, 1998) shall bring their RCPL, if eligible, into office with them and it shall be available for use when the official is actively working in a CCICS application. When the official is checked out on Authorized Union Business they shall be paid the CCICS rate for Authorized Union time.

Newly elected officials who are not eligible for an RCPL shall receive their applicable CCICS rate for time worked in a CCICS application and shall likewise receive the applicable CCICS rate for Union time as it is equivalent to (old schedule B plus 15%)

RCPL eligible employees shall have the Vacation, Paid Absence Allowance, Attendance Bonus Payments and Holiday Pay calculated using the RCPL. RCPL ineligible employees shall have the CCICS rate utilized for those calculations.

### **Exclusion of Union Hours and the CCICS Application**

All Union hours shall be excluded from the CCICS application, both in the calculation of Team performance and an individuals participation in the team for purposes of daily participation, reserve fund distributions, buy back allowances and buy back bonuses.

### **Union Time and Schedule A (Day Rate) and C (Skilled Trades) Employees**

This issue shall not effect Schedule A (Day Rate) and C (Skilled Trades) employees. They shall continue to receive their appropriate Skilled Trades rate or Day Rate from the wage schedules for time worked as well as for pay for Authorized Union

Time. If they are in a CCICS application, their Union hours shall not be included in the team performance calculations, nor shall their Union hours count for their participation in the team for purposes of daily participation, reserve fund distributions, buy back allowances and buy back bonuses.

## **EXHIBIT A**

### **ARTICLE XIII, SECTIONS 5 AND 6 OF 1995 CENTRAL AGREEMENT**

Employees hired on or after May 14, 1998 are not eligible for SHP incentive earnings and shall only be paid in accordance with Wage Schedule-2.

*This Letter shall only be used for the payment of SHP incentive earnings to employees hired prior to May 14, 1998. This Letter will remain in effect at a plant only until that plant has been converted to CCICS. Once the CCICS conversion has been completed at that plant, this Letter shall be null and void and shall not be used for any purpose.*

### **SHP ELIGIBILITY AND EARNINGS PROTECTION**

Employees covered by this Attachment will continue to be eligible for individual incentive earnings pursuant to the Standard Hour Plan provisions as provided for in Article XIII, Sections 5 and 6 of the 1995-1998 CENTRAL AGREEMENT (with complaints handled pursuant to Article XIII, Sections 7 and 8 of the 1995-1998 CENTRAL AGREEMENT). Such SHP incentive earnings opportunity will terminate when that employee is placed in a CCICS application or when that operation is converted to a CCICS application.

Individual incentive earnings after March 29, 1998 shall not be considered for, and will not affect, the calculation of Red Circle Pay Levels for eligible employees covered by this Attachment.

## **ARTICLE XIII WAGES**

### **Section 5. Standard Hour Incentive Plan.**

#### **A. Principles.**

The Union, the Company and the employees mutually recognize and agree, that in order to provide maximum opportunities for continuing employment, good working conditions, fair and equitable wages, the Company must maintain or improve its competitive position through maximum productivity and minimum costs; and further agree that the Company will be supported in its effort to improve productivity, eliminate waste, conserve materials and supplies, and improve quality or workmanship.

#### **B. Basic Plan**

The basic incentive plan shall be a standard hour incentive plan in which the standard will be expressed in terms of standard minutes or hours for a specified quantity of production. However, other suitable time standards for incentive may be used in those situations where the standard hour plan is inappropriate. Such situations will be determined far enough in advance so as to provide time for explanations and discussions with the Union as to the reasons for utilizing any other plan. Any alternate plan will be designed to provide an incentive earnings opportunity in accordance with C (Establishment of Standards) of this section.

#### **C. Establishment of Standards.**

- (a) SHP incentive standards established after the effective date of this agreement may be established by accepted Industrial Engineering techniques such as time study, standard data, predetermined time systems, work sampling or a combination of these.
- (b) A minimum personal and unavoidable delay allowance of 12½% will be applied to each work standard [made up of

8 1/4% personal and rest and 4% routine and unavoidable delay). Allowances over and above the minimum will be applied when circumstances and conditions on the job warrant.

Due to the nature of a particular operation other allowances, if appropriate (such as tool change, multiple machine interference, etc.), will be applied in calculating the standard.

- (c) SHP Incentive standards when set as defined in (a) and (b) above will be established to provide an earnings opportunity of approximately twenty-five percent (25%) above standard on the manual portion of a job for a normal qualified operator working at normal incentive pace.

An incentive opportunity allowance of twenty-five percent (25%) shall be added to the machine or process cycle. This allowance will be added even though there exist manual elements, required by the established method, which are wholly internal to the machine or process cycle time; it being understood that manual elements may be added to more efficiently utilize such idle time without affecting the standard.

The objective in establishing new and revised standards under SHP shall be to provide an opportunity for a normal qualified operator working at a normal incentive pace to earn approximately twenty-five percent (25%) above his base rate. It is recognized that individual SHP standards may provide somewhat more or less than the twenty-five percent (25%) earnings opportunity even though they are set as accurately as engineering techniques permit and the fact that employees do not achieve such performance and earnings is not in itself grounds that the standard is not correct. In no case is the twenty-five percent (25%) to be construed as a minimum guarantee or as an earnings limit. However, an individual standard which does not provide an incentive opportunity of at least twenty percent (20%) shall be considered unsatisfactory and subject to revision under subsection (d) below.

- (d) When a new or revised incentive standard is established on a job, complaints and grievances shall be handled in accordance with the Incentive Standards Complaint and Grievance Procedure (Section 8). Any change which is

made in the incentive standard pursuant to that procedure shall be retroactive to the date that the standard was established.

- (e) Before the Company observes any job for the purpose of establishing or auditing a method or work standard, the employee assigned to the job and his steward shall be notified in advance of its purpose.
- (f) When establishing a standard by stopwatch study, such studies will be of sufficient duration to assure a sound standard. Sufficient duration would be interpreted to mean a minimum of ten (10) cycles - not to exceed an eight (8) hour period.
- (g) After the determination of a new incentive standard the employee affected will be informed of the new incentive standard. Where the standard was partially or wholly established by stopwatch study (and no estimated standard is involved) the new incentive standard will be used to compute the employee's incentive earnings retroactive to the beginning of the week in which actual observation was started; provided, however, that during the period from the beginning of the week during which actual observation was started until the employee has been informed by his supervisor of the new standard, the employee will be paid (for hours applicable to work performed under the new standard) the greater of (i) actual earnings based upon a retroactive application of the new incentive standard, or (ii) the Schedule A rate of that classification.
- (h) The use of video tape is an acceptable industrial engineering technique and will be used by the company's industrial engineering department under the following circumstances:

To develop improved methods and procedures.

To develop standards or standard data (using the MOST system)

To recheck existing methods, processes, or standards.

To record operations under joint review so that the parties may further attempt to resolve a disputed incentive standard following an actual joint study of such operation on the floor.

*Recording methods, procedures and operations for subsequent use in training films for new employees and operators.*

Proper notification (minimum of 15 minutes) will be made to the foreman, employee(s) and Union officials in the immediate area. Notification to the local chairman and respective committeeman will be provided in advance to the notice required above. The area or location being taped will be posted to inform all personnel entering the area. The video camera will be manned during the actual video taping of an operation.

Video tape sequences taken for the purposes of work measurement will not be used for any promotional or advertising purposes outside of the Company without written permission of the individuals shown in the sequences.

The UWSR shall have access to all video tapes taken for the purposes of work measurement.

All video tape sequences will be identified as to date, plant, work place, part number or other data as necessary to adequately identify the tape.

The Industrial Engineering Department will maintain a video tape library properly indexed and identified for ready reference through use of an official log of all tapes and disposition.

Prior to its introduction, when new and/or revised data (developed from video tape) is available, the Union will be notified and the UWSR may review such video tapes and/or data.

Whenever an employee working in an incentive classification is being video taped and is performing incentive work on an established permanent standard that is not currently subject to a complaint or grievance, he will be paid a special rate of one hundred fifteen percent (115%)



of the incentive base rate of his incentive earnings whichever is higher if the video taping interferes with his incentive earnings. If he is not performing incentive work, the employee will receive the payment provided in the contract for the situation involved. This rule of payment shall not apply or change the current pay practices at East Moline in effect under the Letter of Understanding regarding the conversion to SHP incentive standards until the specific job or task has been converted to the SHP standard. Prior to conversion, employees at East Moline will be paid in accordance with the conversion Letter and local pay practices.

If an employee who is operating the job scheduled to be videotaped requests not to be taped, a suitable qualified substitute will be assigned to perform the operation.

It is also agreed that SHP/work measurement video taping will not be allowed for the purpose of random audits, surveillance or assessing discipline.

It is further agreed that video taping may also be used to develop processes that reflect improved Human Factors Engineering (Ergonomics and other safety questions or disputes) subject to the above procedures and agreements. The Local Union Safety Representative will have access to all video tapes taken for the purpose of health and safety.

- (i) During prior contracts the parties completed the conversion from an old incentive system to the new SHP incentive system. All agreements, memoranda or letters of understanding, minutes and past practices relating to the establishment of standards or the payment of employees under the prior incentive system and any and all matters related thereto, whether written or oral are now null and void. The correctness of the new SHP incentive standards shall not be judged in any way by comparison to incentive standards established under the prior incentive system or performance against such standards, but, rather by the provisions included in XIII of this Agreement.
- (j) The Company will notify the appropriate steward approximately one workweek prior to the installation of set up standards into departments or cost centers where set ups have previously been unrated.

**D. Notice of Job Requirements and Standards.**

An employee, upon assignment to a job to which a standard has been applied, shall be advised of the standard. A new or revised incentive standard shall be considered to be established when the employees to whom it applies have been notified. Employees will be properly instructed for the jobs to which they are assigned and the Company will make available to the operator, either at his work station or in the work area, the proper written method for the operation.

**E. Changes in Work Standards**

- (a) All incentive standards in effect shall remain in effect for the duration of this Agreement unless the standard shall become inapplicable and subject to replacement or revision resulting from changes of methods or procedures such as feeds, speeds, tooling, material, workplace layout, quality level, or; an accumulation of any such changes which in total affects the time standard (or an individual standard which is part of a group standard) by three (3) percent or more.

If changes, which affect a standard by less than three (3) percent are observed, no new standard shall be established, but the change will be documented and taken into account if future additional changes make the total change in the standard time value three (3) percent or more. When the Company revises an incentive standard because of accumulated minor changes which total to affect the standard by three (3) percent or more, employee(s) on the operation shall be advised of the basis for the revision which shall be documented in accordance with the above; provided, that this procedure shall not prevent revision of the incentive standard with respect to other unrecorded accumulated changes under this Section so long as the documented accumulated changes equal three (3) percent or more.

- (b) When a standard is revised under (a) above, the extent of the change in the standard will be limited to those portions of the job which have been recognizably altered or the elements which have been changed or affected by the change or accumulated changes. This limitation shall not apply in the case of a revamped method. In order to

determine whether a revamped method exists a complete new study may be taken. Upon completion of the new study a comparison with the original standard will be made to establish the affect and extent of the revamped method. An incentive standard once established shall not be changed merely because of a change in name, symbol, part or operation number.

- (c) Clerical or arithmetic error will be corrected when found and any necessary adjustment will be made back to the day of the error but in no event more than two (2) pay periods earlier than the day the error was called to either parties attention.
- (d) The three percent (3%) rule as described above in Subsection (a) does not apply to new or revamped (Subsection b) incentive standards when timely complained and grieved under the Incentive Standards Complaint and Grievance Procedure in Section 8 of this article.

## **Section 6. Payment System.**

### **A. One for One System.**

The SHP shall be based upon the principle that an incentive employee will earn an additional one (1) percent of the incentive base rate for each one (1) percent of additional performance above the standard.

### **B. Calculation of Incentive Earnings.**

Incentive Earnings will be calculated for each employee for the total hours worked on incentive during each workday or for the period over which the incentive earnings are computed if such period is longer than a workday.

### **C. Incentive Groups.**

Wherever it is deemed to be practical, incentive plans under the SHP will be based upon individual performance. However, for some operations the Company may decide that individual incentives are not practical and that the only practical incentive plan must be administered on a group basis. In such cases the total performance hours earned by the employees comprising

the group shall be divided among the participating members of the group in proportion to the hours spent in the group by each.

**D. Guarantee Rate.**

The guarantee rate for an incentive employee who does not attain incentive earnings during the calculation period set forth in paragraph B shall be the applicable incentive base rate for all hours worked during such period.

An exception to the calculation period set forth in paragraph B of this section shall be new and revised standards timely grieved as to their correctness, in which case the guarantee of this paragraph shall be computed for the job or day, whichever is shorter (until 30 days after the Union is given the Company's 3rd Step answer or until the grievance is settled or withdrawn, whichever is sooner). Under this exception the guarantee rate is the incentive base rate.

**E. Hourly Rate for Incentive Employees.**

An employee working in an incentive classification will be paid the applicable incentive base rate for all unrated work he performs in the classification except as follows:

- (a) special rate of one hundred fifteen percent (115%) of the incentive base rate will be paid to regular incentive employees in the following circumstances:

- (1) When he is assigned to make samples (display jobs).
- (2) When he is assigned to rework another employee's production; or to rework his own production if the need for the rework was due to defective machinery or equipment (from the time the employee reports the condition to his supervisor); or to rework caused by an outside vendor.

This subsection (2) shall only apply if the employee is assigned to such rework and is thereby deprived of incentive earnings opportunity. For example, it shall not apply in cases where there is no scheduled work to be run on incentive and the assignment constitutes "fill in" work nor shall such payment apply where the assignment is made in a downtime situation.

In cases where he is not deprived of incentive earnings due to the rework assignment the employee will be paid the Schedule "A" rate of his labor grade.

In all cases where the rework assignment is rework of the employee's own work necessitated by the neglect or fault of the employee, incentive base rate shall be paid.

- (b) A special rate equivalent to the Schedule "A" rate of the applicable Labor Grade will be paid to regular incentive employees in the following circumstances:
  - (1) When he is assigned to an unrated job prior to the time that the incentive standard is made effective.
  - (2) When he is assigned to short run jobs with respect to which Management does not intend to establish an incentive rate.
  - (3) When he is assigned to a job where it is not practical to apply the incentive rate because of an insufficient number of pieces.
  - (4) When he is assigned to material handling relative to production operations not provided for in the standard.
- (c) Incentive employees when assigned to work which involves setting up their own machines shall receive Schedule "A" rate of the next higher labor grade for the work performed on that machine as an hourly rate for time so spent, if there is no applicable standard for the set up. The Company shall have the right to place incentive standards on any set up work not presently rated.

When the set-up involves eight (8) or more consecutive hours of work on the same machine (or groups of machines), the employee involved will be paid one hundred fifteen percent (115%) of the applicable incentive base rate under subsection (a) above for the entire time involved.

The payments provided for in this Subsection E(c) shall apply to the time spent waiting for first piece inspection immediately following the completion of an unrated set up (when not otherwise reassigned) provided, however, that

waiting for first piece inspection immediately following the completion of a rated set up shall be paid at the applicable incentive base rate.

The payments provided for in this Subsection E(c) shall also apply to work performed on unrated work elements of a rated set up (excluding downtime applications which are paid under Subsection 1).

It is understood and agreed that this subsection shall not apply to work which is provided for as tool allowance in the setting of incentive standards.

- (d) A special rate of one hundred twenty-five percent (125%) of the incentive base rate will be paid to regular incentive employees when an employee working in an incentive classification is assigned as an instructor, subject to the provisions of Subsection J of this Section 6.

**F. Estimated Incentive Standards.**

- (a) When not practical to set a permanent production standard, an estimated incentive standard (so designated) may be established until a permanent incentive standard can be established. The Union will be notified in advance of the Company's intention to apply an estimated incentive standard. An estimated incentive standard will be issued and will be effective unless changed or withdrawn due to method changes and/or design changes, or replaced by the Company with a permanent incentive standard for the operation established under the terms of paragraph C of Section 5 of this Article.
- (b) The Company recognizes the need for establishing permanent incentive standards as quickly as possible, and will make every effort to keep the issuance of estimated incentive standards to a minimum.
- (c) When an estimated incentive standard is established a form containing the methods outline will be available to the operator.
- (d) In the development of any permanent incentive standard under Article XIII Section 5, Paragraph C of this Agreement, the Company will not be bound by any estimated time values.

- (e) Estimated incentive standards will be effective no longer than thirty (30) working days unless such time limit is extended by mutual agreement between the Company and the Union.
- (f) Any question as to an estimated incentive standard will be handled in accordance with the complaint procedure outlined in the Incentive Standards Complaints and Grievance Procedure Section 8.

**G. Supplemental Standards.**

When an employee working on a SHP standard encounters *continuing off-standard conditions of a temporary nature* which are affecting his performance, e.g., hard stock, oversized stock, equipment malfunctions, etc., he may request through his supervisor that Industrial Engineering establish a supplemental standard or temporary allowance to compensate for the offstandard condition for the duration of such condition. Any supplemental standard or temporary allowance under this Section shall be applicable only so long as the unusual conditions, for which they were established, continue to exist. Where a supplemental standard or temporary allowance is not applied (e.g. duration of condition insufficient to establish supplemental standard), the duration of the recognized condition will be compensated at the applicable Schedule "A" rate.

**H. Multiple Job or Machine Operations.**

- (a) When an employee is required to work simultaneously on more than one machine or job, the operations will be compensated on the basis of the rate of the highest classification, except where otherwise provided in the machines group rates set forth in the base rate schedule.
- (b) When a standard is established on a multiple machine basis and one or more of the machines covered by the standard goes down and the operator is required to continue production on the off-standard method either:
  - (1) Schedule "A" will be allowed pro rated by the number of machines that the standards are based upon, i.e., 1/2 for 2 machine incentive standards, 1/3 for 3 machine incentive standards, etc., and the operator

will continue to run the remaining machine(s) on incentive under the existing standard (i.e., a pro rata incentive opportunity), or

- (2) A supplemental standard or temporary allowance to cover the condition of running the reduced number of machines will be provided under paragraph G of this section.

I. Payment for Loss of Time

- (a) The job delay allowance as established in Section 5 paragraph C of this Article is intended to provide for unmeasurable miscellaneous work or interruptions in the work assignment. Such interruptions in the work assignment may include unavoidable delays beyond the control of the operator such as downtime occurrences. Downtime is the period of time an incentive employee is prevented from continuing on his regular work because of a lack of material, and/or equipment, power failure or machine breakdown when he is required to remain at his work place.
- (b) When an employee working in an incentive classification encounters such delays, and is not then transferred or reassigned, he will receive payment for the time so lost to the extent that such time equals or exceeds six (6) minutes when such delays are properly recorded and approved. Delays of less than six (6) minutes and the first six (6) minutes of each delay which equals or exceeds six (6) minutes (up to a maximum of two (2) occurrences as set forth below) shall not be accumulated during the day and are considered compensated for by appropriate allowances in the standard.
- (c) Payment for such delays beyond the first six (6) minutes on each occasion shall be treated as downtime and paid at the applicable base rate. Should the employee encounter more than two (2) delays which equal or exceed six (6) minutes during the course of a workday, the entire duration (including the first six (6) minutes) of such subsequent delay (3rd, 4th, etc.) during such work day will also be treated as downtime and paid at the applicable base rate.
- (d) Subsections (b) and (c) above shall not be applied to power-conveyed assembly lines (including power-conve-



yed paint lines) or automated foundry group lines. Such power conveyed lines shall have twelve (12) minutes per normal eight (8) hour day as the basic downtime deduction. For partial or extended shift application, this equates to 1.5 minutes per hour. Payment for such delays beyond the twelve (12) minutes shall be paid at the applicable incentive base rate.

J. New employees added to Assembly Line Groups or other Incentive Groups

- (a) On (a) incentive standards for assembly lines or (b) other group incentive standards with five (5) or more employees the Company will apply a procedure to compensate for new and/or inexperienced employees introduced into such assembly groups. Such procedures may include training schedules, break-in earnings participation, etc. Such procedures will be discussed with the Union in each case prior to implementation.

In most cases the following procedure will be used:

If a new and/or untrained employee is introduced into an assembly line situation, we will use an instructor to assist the trainee to maintain the normal production flow as well as to train the employee. The new employee's time is charged to the group's time and shares in any incentive earnings. The instructor can be a utility man, or another trained incentive employee. The instructor's time will not be charged to the group and will not share in any incentive earnings.

In some cases, the instructor may elect to receive the incentive earnings with the trainee receiving the 125% payment provided for in Subsection 6E(d), above. In such cases the instructor's time will be charged to the group and not the trainee's. Should the group perform at less than 125% the instructor would be guaranteed 125% and the trainee would receive the actual earnings from the group.

- (b) Before any change is made in the number of employees (a) in an incentive group on an assembly line, or (b) in an incentive group with five (5) or more employees, the Company will notify the steward of the department of the changes.

- K. The Earnings Protection Agreement (together with supplements, examples and guidelines) contained in the prior collective bargaining agreement will continue to apply to any employees who may become eligible for Red Circles and Incentive Differentials in the future, and to the treatment, payment and application of Red Circles and Incentive Differentials now in existence.

## LETTER OF UNDERSTANDING

### Re: Principles For The Conversion From SHP To CCICS

During the 1998 negotiations the parties discussed the Case Continuous Improvement Compensation System (CCICS), as the compensation delivery system to replace the SHP incentive payment program.

The conversion from SHP to CCICS will be governed by the following Three (3) Principles:

- A. The CCICS Plan is designed to incorporate continuous improvement and the teamwork concept while assuring that an eligible employees' historic SHP earnings levels for historic productivity will be maintained. No eligible employee will suffer a reduction in their earnings level for the same or greater productivity; however, this principle will not prevent the utilization by mutual agreement of classification averages to determine an employee's RCPL.

This will be accomplished by providing eligible employees with a Standard Hour Plan Red Circle Pay Level rate to be applied when working in the Case Continuous Improvement Compensation System. The intent of the Red Circle Pay level Rate is to allow employees to preserve a comparable earnings opportunity. As stated above, a RCPL may be established for a team/group of employees by mutual agreement based upon the average of the employees in that classification. In this case, it is the intent of the group RCPL to provide historic SHP earnings for historic productivity of the group.

- B. Where differences between CCICS and the CIPP program exist (earnings protection and/or plan features) that are not related to the use of an RCPL rather than SHPCF and payment practices on temporary transfers CIPP will be followed subject to C below.
- C. Differences between CCICS applications and CIPP (earnings protection, plan features, etc.) will occur only where one of the following factors exists:
1. mutual agreement between the Company and the Union during the transition period; or
  2. In cases where historical differences, between a CCICS application at Case and the CIPP comparison, make a difference appropriate, e.g., historical earnings levels, productivity levels, data availability, manufacturing processes, etc.; or

In order to provide for UAW/employee input to the new program, the parties agreed that during the transition period (prior to January 1, 2000) they would meet and review the CCICS provisions related to employee earnings protection and/or other matters related to the equitable application of CCICS terms in an effort to make the Plan's implementation fair and successful. Mutually agreed pilot programs may be developed and implemented at the facilities during this transition period.

The procedure for addressing CCICS issues during the transition period will be as follows:

1. during the transition period, prior to January 1, 2000, the parties will meet to determine whether meaningful differences in earnings protection exist between CCICS and the CIPP;
2. during this process each party will share all relevant information with the other party which would identify, or assist in the identification of, such meaningful differences between CCICS and CIPP in earnings protection;
3. if a meaningful difference between CCICS and CIPP in earnings protection is identified, the parties will

meet, review and work toward finding a solution reflecting the employee earnings protection features contained in this letter;

4. the parties will also address other matters affecting the success of CCICS implementation or which are related to the equitable application of the CCICS formula for determining the RCPL or the creation of a Productivity Baseline (e.g., Burlington issue on significant "input hours" out of class while on overtime);
5. unresolved differences during the conversion will be subject to the CCICS Implementation and Process Letter of Understanding.

in doing so, the parties both commit that these discussions will be completed with the utmost good faith and with a sincere intent to resolve these issues.

#### **RED CIRCLE PAYMENT LEVEL**

**April 22, 1998**

**Mr. Richard Shoemaker  
Vice-President & Director  
UAW  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214**

During the course of the 1998 negotiations, the Union raised a concern with the Company that the computation under paragraph B of the Standard Hour Plan Transitional Buyout (Appendix A) attached to the CCICS Plan may be inappropriate due to the fact that the actual work performed was not properly reflected in the relevant payroll records during the computation period.

The Company will notify employees of their RCPL no later than November 1, 1998.

In order to preserve as many records as possible, it is important that the employee raise such concern with the Company no later than sixty (60) calendar days after the employee is notified of his RCPL.

The parties also agreed that there was a need for an orderly process in giving special attention to these situations. Accordingly, the Company agrees that it will not make any decisions concerning claims brought under this Letter prior to the expiration of such sixty (60) day period. The Company shall communicate such decisions to employees no later than sixty (60) days after the expiration of such sixty (60) day period.

Marc Castor  
Vice President, Human Resources

#### RED CIRCLE PAYMENT LEVEL APPLICATION

April 23, 1998

Mr. Richard Shoemaker  
Vice President & Director  
UAW  
International Union, UAW  
8000 E. Jefferson Avenue  
Detroit, MI 48214

During the course of 1998 negotiations, the Union expressed a concern that certain employees eligible for a Red Circle Payment Level (RCPL) may have had an unusual assignment for an extended period of time during the RCPL Computation Period that significantly impacted their RCPL. Examples of this application include the Burlington issue on significant "input" hours out of class on overtime, the East Moline issue of temporarily assigned employees from the Cotton Picker line when the line is shut down for extended periods, or employees temporarily transferred to the Racine Blue Room for extended period of time which significantly impacted the RCPL.

The Company agreed that in these unusual situations the Company would review the facts, and if these assignments did

significantly affect the RCPL, the Company would adjust the RCPL accordingly.

In order to be eligible for a review, the employee must raise such concern with the Company no later than sixty (60) calendar days after the employee received notice of his RCPL.

The parties also agreed that there was need for an orderly process in giving special attention to these situations. Accordingly, the Company agrees that it will not make any decisions concerning claims brought under this letter prior to the expiration of such sixty (60) day period. The Company shall communicate such decisions to employees no later than sixty (60) days after the expiration of such sixty (60) day period.

Marc Gastor  
Vice President, Human Resources

## **RED CIRCLE PAYMENT LEVEL COMPUTATION PERIOD**

April 23, 1998

Mr. Richard Shoemaker  
Vice President & Director  
UAW  
International Union, UAW  
8000 E. Jefferson Avenue  
Detroit, MI 48214

During the course of 1998 negotiations, the Union expressed a concern that certain employees eligible for a Red Circle Payment Level (RCPL) may have been permanently classified as a Schedule "A" or "C" employee during the RCPL Computation Period that significantly impacted their RCPL. Examples of this application would include an employee who transfers from a non-incentive classification to a Schedule "B" incentive classification during the computation period which significantly impacts their RCPL. In these cases, only the period of time after the employee was permanently transferred to and began working in the incentive classification would be utilized to compute the RCPL; provided

however, that if the employee worked less than three (3) months in that Schedule "B" incentive classification, the employee's RCPL shall be the average of the RCPLs of the other employees in that incentive classification and department.

The Company agreed that in these situations the Company would review the facts, and if these classification changes did significantly affect the RCPL, the Company would adjust the RCPL accordingly.

In order to be eligible for a review, the employee must raise such concern with the Company no later than sixty (60) calendar days after the employee received notice of his RCPL.

The parties also agreed that there was need for an orderly process in giving special attention to these situations. Accordingly, the Company agrees that it will not make any decisions concerning claims brought under this letter prior to the expiration of such sixty (60) day period. The Company shall communicate such decisions to employees no later than sixty (60) days after the expiration of such sixty (60) day period.

Marc Castor  
Vice President, Human Resources

## LETTER OF UNDERSTANDING

### Re: Union Work Standards Representatives

- A. In conjunction with the administration of SHP and the CCICS Plan, the Company will recognize the following numbers of Union Work Standards Representatives by location as follows: Racine Foundry - 1; Tractor - 1; Transmission - 1; Burlington - 1; East Moline - 1. Additional Union Work Standards Representative(s) may be trained and/or recognized by mutual agreement.
- B. (a) The selection of the Union Work Standards Representatives will be handled as follows: The Union shall submit the names of five (5) employees (preferably incentive workers)

with three (3) or more years of seniority for each position to be filled. The employees must meet qualifications established by the Industrial Engineering Department. The Company shall select three (3) whom it deems qualified for this work. The Union shall then select one (1) of these three (3) to receive the training.

- (b) If no employees (or fewer than three (3)) are qualified from any list, the Union shall submit a supplemental list. Where more than one (1) position is being filled at any time the lists submitted shall be made up of different candidates.
- C. The Company and the Union may agree to recognize more than the minimum numbers of Union Work Standards Representatives set forth in Paragraph A above. In addition the parties may agree to select and train more than the number of Work Standards Representatives who are recognized to provide for emergency fill-in and/or a ready replacement for the recognized Union Work Standards Representative(s). In this regard, the parties agree to train the following additional numbers of Union Work Standards Representatives who will be recognized, for such fill-in and replacement functions: Racine Foundry - 1; Tractor - 1; Transmission - 1; Burlington - 1; East Moline - 1.
- D. The Company shall provide the training for Union Work Standards Representatives. The Company will pay for the time lost in such training at his applicable rate (Schedule "A" rate or 115% of his SHP incentive base, if the UWSR is then on an incentive operation, or the applicable CCICS rate). When the employee(s) are trained they shall return to their regular jobs. The Company will pay the cost of additional training and tests required to maintain the UWSR and Alternates' MOST cards and CCICS training up-to-date.
- E. The duties of the Work Standard Representatives shall consist only in making joint studies with a Company Industrial Engineering Representative and participate as set forth in the Incentive Standards Grievance Procedure for SHP issues or the CCICS Plan L.O.U. Re: Plan Process and Implementation. Joint studies will be for the purpose of reviewing time study elements and the application of the data and/or elements in cases involving disputes over SHP standards, or for CCICS, reviewing the elements or application of data and/or elements in disputes over standards.



The Union Work Standard Representatives shall in no way participate in the establishment of new incentive standards for SHP or the establishment of standards or metrics for the CCICS Plan.

- F. If the Company transfers one of these Work Standards Representatives outside the bargaining unit, a replacement will be trained by the Company at its expense on the basis of the employee's applicable rate (Schedule "A" rate or 115% of the SHP incentive base rate, or the applicable CCICS rate).
- G. The cost of training a replacement for a vacancy caused by other than the action stated in paragraph F above shall be borne entirely by the Union; provided, however, that if the UWSR has served two (2) or more years in the position of UWSR the Company will pay the cost of training the replacement where the vacancy is created by quit, discharge or retirement.
- H. If a Work Standards Representative is required to leave his area in order to perform his duties as a Work Standards Representative, he will follow the same procedure for other Union Representatives.
- I. In order to maintain the skills of the UWSR alternate, the alternate shall be utilized on approximately a one-third (1/3) basis in performing the work available for the UWSR's at each plant.
- J. Union Work Standards Representatives will not have seniority preference during temporary layoffs when a substantial amount of incentive work is not being performed.

## **LETTER OF UNDERSTANDING**

### **Re: Incentive Standards Complaint and Grievance Procedure**

This letter will remain in effect at a plant only until that plant has been converted to CCICS. Once the CCICS conversion has been

completed at that plant, this letter shall be null and void and shall not be used for any purpose.

**A. Trial Period and Complaint Procedure.**

Employees shall be expected to make a reasonable effort to develop incentive earnings on new SHP standards for a trial period of five (5) working days. The following complaint procedure shall be available to employees during the trial period:

- (1) Any complaints concerning the SHP standards shall be first raised between the employee and his supervisor. In such cases it is expected that they will review the method, feeds and speeds, etc., and investigate the facts in non-technical areas relating to application of the standard and attempt to resolve any such problems.
- (2) If the complaint has not been satisfactorily resolved under (1) the employee may request through his supervisor and steward (the steward will receive a copy of the request form) that the Industrial Engineering Department recheck and review the SHP incentive standards involved, the Industrial Engineering Department will then make such review and make any necessary corrections in the SHP standards.
- (3) If the complaint has not been satisfactorily resolved under (2), the employee may file a written complaint (on established forms), signed by the employee, specifying the part number, operation number, description and standard in dispute. (Copies to the supervisor, Committeeman, Union Work Standards Representative, and Chairman). The committeeman after checking the basic facts underlying the complaint may then request that the Union Work Standards Representative and the Industrial Engineering Department jointly review the standard(s) in question. This joint review procedure shall be a fact-finding function which may involve joint review of the data and/or joint observations and studies of the operation.

If the complaint has not been resolved during the above Complaint Procedure and the trial period has been completed the matter may then be grieved on appropriate grievance forms (signed by the employee and his steward), and referencing the applicable Complaint File.

- (4) All original standards and data, together with appropriate reference material, shall be retained in a central file or location at each plant (in or near the Industrial Engineering Department). Union Work Standards Representatives, Committeeman, Chairman, and International Union Time Study Representatives shall have access to such information relating to a full and proper performance of their responsibilities during the conversion process at East Moline and under the Standards Complaint and Grievance Procedure.

Arrangements will be made at each plant for a work area and records file for the Union Work Standards Representative.

#### **B. Grievance Procedure.**

**Step 1:** A grievance filed under A above shall be first considered in the third step of the contractual grievance procedure set forth in Article VII of the Central Agreement. The Union Work Standards Representative and a representative of the Industrial Engineering Department shall participate in the 3rd Step meeting and present the findings of the joint fact finding for consideration. If the matter is not resolved at the third step meeting the Company will advise the Union of its disposition of the grievance within five (5) working days.

**Step 2:** International Union Review - The Company's answer in Step 3 shall be considered final unless within ten (10) working days after receipt of the Company's third step answer, the matter is appealed in writing by the Chairman of the Local Bargaining Committee. This written appeal shall be submitted to the Human Resources Manager, with copies to the UAW - Case Department and the Director, North American Labor Relations.

Following appeal the parties will arrange as promptly as possible for an International Union Time Study Representative to meet at the plant to attempt to resolve the grievance. The International Union Time Study Representative shall review the complaint and grievance file, review the data and/or observe the operation together with the Local Union Work Standards

Representative and representatives of the Industrial Engineering Department. The parties shall then meet in an attempt to resolve the grievance. If the parties are unable to reach agreement after a thorough discussion of the grievance, they shall each then issue a written report on the grievance, a copy of which shall be sent by each party to the other within twenty (20) days after such meeting (unless mutually agreed otherwise).

Within ten (10) days after each party has received a written report from the other party, the International Union Time Study Representative and the Representative of the Industrial Engineering Department shall discuss the advisability of utilizing a Special Engineering Consultant to fact find or mediate the dispute. In the event they mutually agree to utilize the services of such a third party the procedure of the Special Consultant (see D below) (or any other similar procedure agreed to by the parties) shall control.

**C. Election of Procedure.**

The matter shall be considered settled unless appealed in writing by the UAW - Case Department in conjunction with the Local Bargaining Committee Chairman within ten (10) days of the receipt of the Company's written report (or within twenty (20) days following the Special Consultant's written report). The appeal shall designate either

- a. A referral of the matter to regular arbitration in which case the matter will be reviewed and scheduled for arbitration under the provisions of Article VII, Section 3A of the Central Agreement, or (however, in such cases the parties shall agree upon an arbitrator with Industrial Engineering expertise), or
- b. A desire to utilize the special exception provisions to the No-strike Clause set forth in Article V, Section 2 of the Central Agreement. In this case the procedure set forth in subsections (c) through (h) of Article V, Section 2 will then be complied with.

**D. Special Consultant/Incentive Standards Grievance Procedures.**

- a. In the event the International Union Time Study Representative and the representative of the Industrial Engineering Department mutually agree to utilize the

services of a Special Engineering Consultant under B Step 2 of the Incentive Standards Complaint and Grievance Procedure, the special consultant shall be \_\_\_\_\_. (No individual designated at the signing of this agreement).

- b. The special consultant shall be supplied with a copy of the grievance file and at least seven (7) calendar days in advance of the date established for his review, he shall be supplied a written notice setting forth the specific positions and issues involved in the dispute, prepared by each party, mailing at the same time a copy of such written notice to the other party.
- c. The special consultant shall study the entire operation or operations involved in such dispute unless the Company and the Union mutually agree otherwise.

During such study the operation or operations involved in such dispute must be performed under the same job conditions and according to the same method existing at the time the dispute occurred.

The special consultant may at his request meet with representatives of the Company and the Union to elicit additional information pertinent to the operation or operations involved and other matter related to the study being conducted.

It shall be the obligation of the special consultant to determine whether the incentive standard or the rate, as the case may be, was or was not established in keeping with the provisions of Section 5 paragraph C of this Article.

- d. The special consultant shall as soon as practicable after completing his study and review supply both the Union and the Company a copy of his determination. The Company and the Union shall share equally the expenses and fees of the special consultant.

Following such determination, the Company and the Union shall attempt to settle the dispute.

# LOCAL SUPPLEMENT

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# **LOCAL SUPPLEMENT**

## **Local 807 - UAW**

### **Burlington Plant Burlington, Iowa**

#### **ARTICLE I**

#### **RECOGNITION**

- A. The Company recognizes the Union as the exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, wages, and other conditions of employment for the production, maintenance, and experimental shop employees in the appropriate bargaining units described in the Local Supplement Agreements (hereinafter referred to as ("Local Agreement") between the Company and the Union). Should additional production, maintenance, and experimental shop employees be included in Burlington plant expansion involving industrial attachments or parts mounted on equipment connected with Burlington plant operations and management, they will be included under the agreement in effect at that time.
- B. Where there is any conflict between a provision of the Local Agreement and a provision of the Central Agreement, the provision of the Central Agreement shall prevail.

## ARTICLE VI

### UNION REPRESENTATION

#### Section 1. Bargaining Committee

- A. The Union shall select a Bargaining Committee from among its members within the bargaining unit. Such unit shall be comprised as follows:

Six (6) members to represent production employees.

One (1) member to represent Skilled Trades.

Two (2) members at large, President and Chairman.

The six (6) production districts will be communicated to the Company in writing by the Union.

The Union will have the right to add one (1) member to the Bargaining Committee to represent the third (3rd) shift when total employment on the third (3rd) shift reaches sixty (60) employees, not including skilled trades, and subsequently will be eliminated within thirty (30) days after the third (3rd) shift is reduced to less than sixty (60) employees, not including skilled trades.

- B. When the Company has been properly notified in writing, Article VII, Section 5(1) will be applicable to the designated elected Vice President or Committee Person serving in the absence of the Chairman of the Bargaining Committee or President for a full day or days when the President and/or Chairman is absent from the plant.

The Company's obligation for payment for working time lost shall not exceed the total hours allowed per Article VII, Section 5(1).



- C. When a Committee Person is absent from the plant, one of the two Vice Presidents may act as a Committee Person in the Committee Person's absence, other than on overtime. Written notice must be given to the Human Resources Department prior to this absence when possible, but in all circumstances, written notice must be given. The Company's obligations for payment for working time lost shall not exceed the total hours allowed per Article VII, Section 5(1). They may also attend the Thursday meeting with management with three (3) hours of pay each week, if in attendance, and four (4) hours for preagenda meeting, referred to in the letter of understanding and will be considered as members of the local negotiating committee.

## **Section 2. Meetings with the Bargaining Committee.**

- A. Grievance meetings called as a result of a proper agenda having been submitted shall start at 1:00 p.m.
- B. Either party may request the presence of the Unit Manager at the 3rd step of the grievance procedure.

## **Section 3. Stewards.**

- A. The Plant will be divided into districts of no less than fifteen (15) employees. The Union may select up to seventeen (17) Stewards, with corresponding Alternate Stewards to represent Bargaining Unit employees.

One (1) additional Steward and Alternate may be added to represent the addition of a second shift assembly operation if applicable.

When the Steward is absent from the plant, the Alternate Steward will act as the Steward. The functions of the Steward and Alternate Steward under this agreement shall be limited to the handling of grievances as provided in Article VII.

The Company will not temporarily assign the Stewards to an area outside of his/her jurisdiction without prior notification to the area Committee Person.

If the plant is expanded or new facilities added, the Union and Company will agree to discuss the addition of Stewards and/or Committee Persons. In the event Steward districts or Committee Persons areas are eliminated, only those Stewards or Committee Persons will be affected.

- B. For the purpose of providing Union Representation on holidays (other than continuous operations) the following shall be in effect:
1. When more than one (1) employee is scheduled to work on a holiday, the Steward who regularly represents the area in which the work is to be performed on the shift scheduled will be offered the opportunity to work provided he/she is qualified to perform one of the jobs scheduled for the holiday.
  2. When the majority of employees in the jurisdictional area of a Committee Person is scheduled to work on a holiday, the Committee Person who regularly represents the area wherein the work is to be performed on the shift scheduled will be offered the opportunity to work, provided he/she is qualified to perform one of the jobs scheduled for the holiday.

## **ARTICLE VII**

### **GRIEVANCE PROCEDURE**

#### **Section 5. Company Pay for Union Time**

- D. Provide up to three (3) days per week, plus scheduled meetings under special meeting letter.

## ARTICLE IX

### SENIORITY

#### Section 5. Layoffs.

A. It is intended that during a reduction in force, the employee with the least seniority will be displaced first and be removed from the affected classification in his/her department. In each one of the seniority moves described in Section 5 and in Section 6, the employee must demonstrate the ability to perform the work upon completion of a fair training period. With the Company's commitment to training, it is intended that no employee will be laid off or transferred in lieu of layoff out of line of seniority. The least senior probationary employees in the plant will be laid off first, as required to effect the reduction. The word intended, as referred to here in A, is described in Paragraph E.

B. For purpose of layoff, the following departments will be in effect:

525	585	576	622	641	671
532	566	603	630	650	680
560	575	611	640	665	681

Any changes to departments will be by mutual agreement.

C. Layoffs and transfers in lieu of layoffs shall be as follows:

STEP 1 - Employee(s) with the least seniority in the classification affected by the reduction in force within a department will have the right to remove the junior employee(s) of the same classification.

**STEP 2 -** Employee(s) without an assignment after Step 1 above will have the choice in line with their seniority to the classification(s) held by employee(s) with the least seniority in the plant.

**STEP 3 -** The employees without an assignment after Step 2 above will be laid off from the plant. Employees shall be given a three-day notice prior to layoff.

D. In order to give the senior employees a choice of classifications vacated by less senior employees under the above steps of the layoff procedure, it will be necessary for the Company Representative to contact the affected employee(s) and notify them of vacated classification(s) and department(s). Employee(s) will have up to one working day to select up to five (5) in preference order. The Company shall notify the affected employee(s) of the choices after two (2) working days. Any employee absent or failing to make a selection shall have forfeited his/her rights to classification choice and will be placed in openings remaining.

E. The Company may retain the least senior employee for training purposes until such time as the Company has trained someone to replace the employee in the classification. This is not, however, applicable to employees in skilled trades classifications.

F. The seniority provisions for a regular layoff shall not apply to temporary reductions of five (5) days or less where work is not available because of machinery breakdown, equipment failure, material shortage, power failure, labor dispute, emergency situations such as an Act of God, or other similar circumstances. In addition, with a 30-day written notice to the Union and concurrent notice posted on plant bulletin boards, the Company may lay off and recall employees by seniority in a classification within a department knowledgeable to do the work regardless of plant wide seniority for up to 10 consecutive work days immediately before or after a shutdown for plant rearrangement, new product startup, and temporary plant shutdown which employees have a recall date, providing all employees are treated equal.

G. **Temporary Job Postings.** When a classification is affected by a reduction in force, temporary employees in this classification will be reduced first, in line with their seniority, and returned to

their original classification, job, and shift. The absent employee(s) will be affected only when his/her seniority warrants.

## **Section 6. Recalls.**

Laid-off employees and employees transferred in lieu of layoff will be recalled as follows:

- A. An employee who is indefinitely laid off will return to the plant in line with his/her seniority.
- B. An active employee who was laid off or transferred in lieu of layoff will return in line with his/her seniority as follows:
  - 1. Classification
  - 2. Classification in Department
- C. After all active employees have been recalled to a classification in accordance with Paragraph B, vacancies in that classification will be filled in accordance with Article IX, Section 9.
- D. If employees have been reduced or transferred in lieu of layoff from their classification and before they have been recalled to their former classification, successfully bid into a new classification, they shall thereafter have no recall rights to their former classification.
- E. A vacancy in a recallable classification will be filled as follows:
  - 1. The Company will post a notice of the job opening within the department for a period of twelve regularly-scheduled work hours on the affected shift. Employees within the classification currently working within the department and shift may sign the notice. The Company will select the employee with the most seniority.
  - 2. The second opening created as a result of item (1) above will be filled in the same manner and on the same basis set forth in item (1) above. This posting may be concurrent with item (1) above.
  - 3. Article IX, Section 6, Paragraph A or B, as applicable.

## **Section 8. Permanent Transfers.**

In administering this section, Article IX, Section 9 will apply when there is a change of classification other than a change in pay schedule.

## **Section 9. Promotions.**

- A. Employees, who have completed their probationary period and wish to be considered for a permanent transfer to another classification or the same classification in another department, may bid on classifications posted in B below.
- B. When a vacancy exists, the Company will post for two (2) working days throughout the plant in conspicuous locations in departments agreed to between the Union and Company, a notice briefly describing the classification, the department, the shift, and the job posting number. Active employees and inactive employees, able to return to work within one week, desiring such opening shall fill out a transfer request form stating both the job and the job posting number, within two (2) working days after the opening is posted, have their immediate supervisor sign it, and deposit it themselves in the bid box located outside the Unit Manager's office. No transfer request will be retained after the opening is filled. Posting may be made in advance, providing a specific move date is indicated and the Bargaining Committee is notified in advance the reasons for such advance posting.
- C. The Company will fill a vacancy in the following order:
  - 1. The Company will post a notice of the job opening within the department for a period of twelve regularly-scheduled work hours on the affected shift. Employees within the classification currently working within the department and shift may sign the notice. The Company will select the employee with the most seniority.
  - 2. The second vacancy created as a result of item (1) above will be filled in the same manner and on the same basis set forth in item (1) above. This posting may be concurrent with item (1) above.

3. The vacancy created by item (2) above will be posted as per paragraph B.

In the event the vacancy can not be defined due to a new or revised process, item 3 in paragraph C above may supersede number 1 and 2 above.

- D. The Company will select the employee with the most seniority that has made written application to fill the opening in the affected classification provided he/she has the skill, ability, and physical fitness to perform the work of the classification. The successful applicant will be notified within two (2) working days following the posting.

If this employee is not the most senior employee requesting the opening, the position will be held until the Chairman of the Bargaining Committee is notified [in his/her absence, the Committee Person whose area has the open position], and a review of all information will be made to see if a more senior employee requesting the opening may qualify for it. This selection must be made by the end of the second working day following notification to the Union.

If the employee so selected declines this transfer, he/she will be frozen for a period of six (6) months and the Company will select the next most senior employee who has made a written request in accordance with the procedure set forth herein. The Company will post each Friday a notice of employees selected in all classifications throughout the plant. A copy will be sent to the Chairman of the Bargaining Committee.

- E. If an employee who has been selected for the vacancy is not available due to illness, leave of absence, suspension, union business, or lost-time accident, the vacancy will be filled on a temporary basis by job assignment or by a temporary job posting. Upon the employee's return, the employee will be assigned the vacancy.
- F. Employees, who have been selected for transfer, will be moved by the third Monday following the job posting removal date. Failure to transfer the employee by the third Monday will result in an additional \$1.00 per hour being paid to the affected employee until the transfer is made. This payment will only be made after the employee has been on the new assignment for a period in excess of two (2) days.

- G. If the classification is not filled by application of the procedure above, the Company will fill the opening:
1. With an employee willing to accept the assignment.
  2. By application of Article IX, Section 5 or 6.
  3. By hiring a new employee.
- H. Employees, who have been transferred by their request into a new classification and/or department and by their choice decide to return to their former classification, job, and shift, will do so before the completion of a two (2) day period, and will not be permitted to apply for another transfer for a six (6) month period. This does not apply to employees who are returned to their former classification, job, and shift as a result of a reduction in the work force. If the successful employee returns within above-mentioned (2) two days, the Company will select the second senior employee having made written application under the bidding procedure to fill this classification.
- I. The employee selected will receive a fair training/evaluation period, if necessary. A transferred employee, who fails to meet the qualifications of the training program and/or to perform satisfactorily after a fair training period, may be returned to his/her former classification, job, and shift before expiration of sixty (60) days and will not be permitted to apply for another transfer for a six (6) month period, and will be frozen from bidding on this classification until he/she has acquired and documented the skills supporting the classification. If a vacancy exists following the disqualification, the Company will disregard the original posting and repost if necessary, without additional lateral moves.
- J. No employee will be offered or receive more than three (3) such transfers in a year, starting with January 1, unless reassigned by the Company. These transfers are in addition to the moves in C-1, C-2, G-1, M, and N.
- K. A posted vacancy is interpreted to mean a classification opening created by:
1. Quit
  2. Discharge
  3. Death



4. Retirement
  5. Induction into the Armed Forces
  6. Permanent transfers
  7. Transfers out of the Bargaining Unit
  8. Leaves of absence requiring full-time Union business
  9. Leaves of absence for full-time position in government
  10. Introduction of a new classification (this will include adding employees in present classifications) or a machine or machinery required by or for a new classification within the Bargaining Unit
  11. Permanent classification opening created by the initial posting
  12. Peace Corps
  13. Educational Leaves
  14. Long Term Disability (However, employees returning from LTD may exercise their seniority in their classification.)
- L. Cancellation of a vacancy - The Company will notify the Chairman of the Bargaining Committee, in writing, of any cancellations.
- M. When a vacancy occurs in a classification and no additional employees are needed in that classification, the vacancy will be filled in accordance with Article IX, Section 9, Paragraph C, Items 1 and 2.
- N. Temporary Job Posting - is an opening created by an employee on medical leave or a temporary opening in a classification that will be available for thirty (30) consecutive days and continue in effect until the permanent employee returns, or the job is otherwise terminated as a temporary job. Temporary openings will be filled in accordance with the LOU Re: Resource Pool/Temporary Vacancy/New Hire Guidelines.
1. When posted, the posting will state that it is a temporary posting.
  2. Shift preference may be exercised by the successful bidder, after 30 days.
  3. Article IX, Section 9, C-1, C-2, and M will not apply.
  4. Upon completion of the temporary posting, employees will return to their former classification, job, and shift.

5. The Union Bargaining Committee may review with the Company each 60 days.
  6. This is not to be interpreted as a temporary assignment under Article XIII.
- O. Employees who receive a classification and those employees currently working in a classification are required to learn and to perform, as needed, all machines/work assignments of the classification.

## **Section 10. Preferential Assignments.**

- A. Employees who have become permanently incapacitated by reason of physical disability for work in their classification, or employees returning from service in the Armed Forces, who are no longer physically or emotionally suited for their former work of their regular assigned classification, at their request with documental proof, shall be transferred by the Company in accordance with the following procedure:
1. The incapacitated employees will be placed in an open classification, assuming they are qualified to perform such work after a fair training period of sixty (60) days. An open classification is defined as one to which no one has recall rights and has cleared the posting procedure.
  2. If there are no open classifications, as noted above, and if there are no classifications held by probationary employees, then the seniority list will be checked from the employees with the least seniority rights upward until a job is found that the incapacitated employee is qualified to perform. It is understood that no employee will be displaced who has greater seniority rights than that of the incapacitated.
  3. In such event, the incapacitated employee will lose all rights to the position given up, and the vacancy will be filled by the applicable Recall/Promotion procedure.
  4. The employee displaced will be assigned in accordance with the appropriate provision(s) of this article.

## **Section 17. Skilled Trades Seniority.**

- C. (1) Employees in Skilled Trades Classifications listed below shall not be covered by: 1

Article IX, Section 8, Permanent Transfers

Article IX, Section 9, C1-2 and M.

- \*a. Assemble, Layout, Experimental
- b. Industrial Truck Repair
- c. Electrical Maintenance
- \*d. Grind, Cutter and Tool (Tool Room)
- e. Heating Plant, Engineer
- \*f. Tool Hardener
- g. Machine Repairer
- h. Machinist, Tool Machine Operator (All Around)
- i. Mechanical Maintenance, Millwright
- j. Metalwork, Experimental, and/or Development
- k. Pipe and Steamfit
- l. Tool and Die Maker
- \*m. Weld, Industrial, Experimental
- \*n. Weld, Industrial, Maintenance

\*Two-year training program; all other classifications apprenticeable.

- D. Seniority of the skilled trades classifications listed above shall be non-interchangeable by classification.

# ARTICLE XI

## HOURS OF WORK AND OVERTIME

### Section 8. Overtime Distribution

All overtime will be divided as equally as possible starting from zero the first full week in January and July each year. It is recognized by both labor and management that it is not desirable to work overtime. It is also recognized that from time to time it will be necessary for management to schedule overtime to carry out its operating responsibilities. In such instances, the Union agrees to cooperate and under no circumstances will the Union officers, committee persons or stewards discourage employees from accepting such overtime work. Any employee who is offered overtime work as in "A" below and declines will have overtime recorded as if the employee had worked. Any employee who is absent without a valid reason during the period for which the employee had previously agreed to work is subject to the usual series of the disciplinary procedures.

A. In the event overtime is scheduled, the Company will properly notify the steward and/or stewards and affected employees as soon as such decision is made. Employees requested to work daily overtime shall be properly notified, by signing an appropriate work request, given to them by their supervisor before they leave the plant on or before the previous workday. Employees requested to work overtime Saturday or Sunday will be notified before the end of the shift on Thursday. If the whole overtime district is requested to work overtime, proper notification may be done with a written notice posted on the bulletin boards and at the employees' time clocks. Employees may be requested to sign a card; they must sign - accept or decline - and must abide with that decision.

1. The phrase "as equally as possible" referred to above means that the spread in the classification within the overtime district between the employee with the least amount of actual overtime hours and the employee with the greatest amount of actual overtime hours will not exceed sixteen (16) actual overtime hours.

2. If at the end of the last week of the overtime equalization period, the spread is in excess of the sixteen (16) hours, the senior employees with the least amount of overtime will be paid the hours necessary to bring them within the sixteen (16) hour spread. Such mistakes will not be used to compute payments to other employees who may be out of spread. The principle of one (1) payment to one (1) employee for each mistake will apply.
3. If additional employees are needed for overtime in a classification in an overtime district, such hours of overtime will be distributed among the employees in the overtime district/plant able to perform the work.
4. Overtime work that is general to the overtime district, such as cleaning up the entire overtime district, will be divided among the employees in the overtime district who have the least amount of overtime in that overtime district, regardless of classification.
5. Overtime Districts.

a. Following is a list of departmental overtime districts:

\*525 532 566 575 576 603 611 630 641 680  
681

\* Quality Specialists A & B are combined into one class for overtime purposes.

Department 622:

1. E-Coat (CC621)
2. Paint (CC622)

Department 550 & 565:

1. Receiving (CC560, and Dept. 565)
2. Shipping (CC580)

Department 640:

1. Assembly
2. Repair & Modify, and Weld Utility

Department 650:

1. Crawler Assemble Paint (CC650)
2. Crawler Assemble Weld (CC651)

**Department 665:**

1. Tube Manufacturing (CC565)
2. Rod Weld and Eye Mfg. (CC567)
3. Assemble & Paint (CC568)

**Department 671:**

1. Loader Arms (CC671)
2. ROP, and Pods (CC673)

b. Overtime distribution within the Skilled Trades shall be made by classification with all entry through minimum classified employees divided equally and all classified employees minimum plus one-third (1/3) through maximum divided equally.

6. The Company will keep uniform departmental records of the overtime distribution. Such records shall be detailed and kept up-to-date weekly and shall be made available to district stewards, area committee persons, and committee persons at large.
7. In the event a classification in an overtime district is asked to work overtime and the Company fails to ask all employee(s) in said classification and works other employee(s) out of classification or from another overtime district in place of those who should have been asked, the Company shall be obligated to pay such employee(s) for the overtime hours worked. The payment would be to the most senior employee in the classification with the least amount of overtime. The principle of one (1) payment to one (1) employee for each mistake will apply.

The following will only apply after notification to the steward or committee person and after all employees on the shift in the classification within the overtime district have been offered overtime. In situations where it is not practical to offer overtime to all employees in a classification within an overtime district regardless of shift, and other employees work overtime in the affected classification, the Company will have seven days to offer equal overtime hours to the adversely affected employees not to exceed two hours daily overtime and six hours on Saturday and Sunday before payment is made.

8. For the sole purpose of correcting an imbalance in overtime spread, the Company will not ask an employee for more than four (4) hours in a regularly scheduled workday, or ten (10) hours on the sixth or seventh days. If additional overtime is available, the employee may agree to work this overtime in addition to those hours specified above. If the employee works the additional hours of overtime, the employee will be charged for each hour worked.

**B. The following rules shall apply concerning the distribution of overtime work and charging of overtime hours:**

1. **Shifts.** Overtime in each classification within the overtime district will be distributed among employees regardless of their shift or shifts on which the employees work.
2. **New Hires and Transfers Other than Temporary.** When employees are transferred to a new classification or to the same classification in another overtime district, or new employees are placed in a classification, the employees shall be charged with the average number of overtime hours of the employees in that overtime district and classification.
3. **Temporary Assignments.** Employees who work overtime in a classification to which they have been temporarily assigned will have such hours charged as overtime hours in their regular classification.
4. **Employees that are new to a classification and don't have the skills required to work the needed overtime will be charged the average hours for a period not to exceed 15 working days.**
5. **Leave of Absence and/or Compensated Time Off.** An employee returning to work after being absent for one week or more will maintain their same relative position in his/her classification.
6. **Employees absent less than one week will be charged the average hours offered within his/her classification during the absence.**

7. In event overtime is scheduled, the steward will be the second employee offered such overtime, provided the steward is qualified to perform such scheduled work. When the majority of employees in the jurisdictional area of a committee person are working overtime, the committee person will be included in the group provided the committee person is qualified to perform the scheduled work. Overtime hours worked by stewards and committee persons for Union representation will not be considered in equalization of overtime.

## ARTICLE XIV

### GENERAL PROVISIONS

#### Section 3. Safety and Health

- C. The Burlington Safety Committee consists of three (3) members (one of whom shall be designated Union Safety Committee Chairman) appointed by the Union.
- G. Miscellaneous. All equipment worn out must be returned at time of replacement and additional safety equipment will be furnished by the Burlington Plant without cost to the employee.
  1. Rain gear, hoods, and rubber overshoes as needed for employees required to work outdoors.
  2. Welding hoods for all welders.
  3. Leather type cape, bib and sleeves for all welders and millwrights - one set each two years and replacement parts each year. Unit Managers may approve an additional set per year, if needed. The Company will provide, as required, each six months, canvas capes (greens). Glove heat deflectors will be provided as necessary.
  4. Rubber overshoes for final and prime paint wash machine, coolant tech, NC operator, if requested.



5. Uniforms or coveralls for spray booth painters (paper coveralls as required between changes).
6. Sound muffs or ear plugs as necessary to combat noise beyond level acceptable by law.
7. Face shields, goggles, as required.
8. Sweat bands.
9. Supplement \$10 toward the purchase of metatarsal-guarded shoes. Two (2) pair per year will be supplemented. Any employee unable to perform his job while wearing the shoe, must have approval of the Company's Safety Committee Chairman, in writing—and refund his \$10—before the guard is removed, or the employee will be subject to the normal disciplinary action.
10. Protective skin cream for painters, maskers, touch-up, machine shop and fabrication employees, as needed.
11. Special type reflective and/or magnifying lens for weld hoods, as required.
12. Rubber aprons - where needed.
13. Skull cap (beanie) for welders - six per year.
14. Disposable gloves for spray painters.
15. Safety shoes for painters - one pair of metatarsal-guarded shoes will be supplied every 12 months to classified painters that have six months in the classification. For paint floaters who have 12 months in the classification, one pair (defined above) every 24 months, based on need.
16. Respirators will be furnished to all employees as required by law. For other employees desiring respirators, they can be purchased at cost, provided written approval from a medical examiner is presented to Health services.
17. Weld gloves, as required, and required miscellaneous gloves as determined by Unit Management and the Joint

Safety Committee. Non-required gloves available at cost. Gloves covered by this item will be replaced on an exchange basis.

## **LETTER OF UNDERSTANDING**

### **Re: Appointment to Position Outside of Bargaining Unit**

No members of the Local Union Bargaining Committee or members of the Local Union Executive Board may be appointed to any position outside the Bargaining Unit until at least six (6) months after the expiration of their terms of office, without the consent of the local Union.

## **LETTER OF UNDERSTANDING**

### **Re: Union Representatives**

The President and Chairman of the Bargaining Committee at the completion of their term of office shall return to the classification, department and shift from which they left.

Stewards, Committee Persons, and Vice Presidents who are transferred in lieu of layoff or bypassed for recall due to their Union position will be immediately returned to their classification, department, and shift in line with their seniority at the completion of their term of office.

## **LETTER OF UNDERSTANDING**

### **Re: Preagenda Meeting**

- A. The Bargaining Committee, as listed in Article VI, Section 1, provided they have clocked in at the plant, may leave the plant

during working hours, provided they have notified their supervisors or unit managers of their absence and have properly recorded out at the gate for the purpose of preparing a proper agenda or grievance meeting referenced in Article VI, Section 2. The above committee persons will be paid per Article VI, Section 5.

- B. Second and third shift attendees may proceed to the meeting prior to reporting to the plant provided Payroll has been notified by phone, and notice in writing verifying attendance is submitted later.

## **LETTER OF UNDERSTANDING**

**February 5, 1995**

### **Re: Preferential Seniority**

**Seniority order of Union officers in case of MAJOR LAYOFF:**

President  
Chairman, Bargaining Committee  
1st Vice President  
2nd Vice President  
Financial Secretary  
Recording Secretary  
Three (3) Trustees (In their natural seniority order.)  
Sergeant at Arms  
Guide  
Area Committee Persons  
Department Stewards (If two or more stewards in a department by their natural seniority.) Work Standards Representatives (If two or more Work Standards Representatives in the Plant, by their natural seniority).  
Benefits Representative

**In case of TEMPORARY LAYOFF:**

**Committee Persons at Large:**

BLS  
FILE COPY

President  
Chairman of the Bargaining Committee  
1st Vice President  
2nd Vice President

Area Committee Persons  
Department Stewards (If two or more stewards in a department, by their natural seniority.)

Work Standards Representatives (If two or more Work Standards Representatives in the Plant, by their natural seniority.)  
Benefits Representative

NOTE: See Central Letter

## **LETTER OF UNDERSTANDING**

### **Re: REPAIR, And Modify (A, B, & C)**

There will be one classification and job description for all three levels (A, B, and C), and employees will be assigned to all areas and receive only their individual rate of pay in their level.

All vacancies will be filled per ARTICLE IX, Section 9, and the successful employee will start at C. It is the Company's responsibility to evaluate the employee's skill and ability and provide constructive guidance so employees will be qualified for promotion. The Company will evaluate these employees every three (3) months and may promote them at any time the employee is qualified to meet the performance standards of the classification.

Any employee, who was in this classification A or B and requests another open classification or is reduced back or is temporarily assigned back into this classification, will come in at the level he/she had previously held in this classification.

Any employee temporarily assigned to this classification will be paid at B. In the event this employee is reduced from this classification, he/she will be paid at the rate he/she formerly held.

Shift preference may be exercised within, by seniority, regardless of classification. Overtime will be kept per Article XI, Section 8.

## LETTER OF UNDERSTANDING

**Re: Entrance Requirements for the Quality Department**

A. Training program may consist of three stages.

**STAGE NO. 1** To include up to a total of twenty (20) hours involving the following training activities. Such activities will be payable at the employee's current rate.

### CLASSROOM INSTRUCTION

1. Check simple part on surface plate using blueprint, height gauge, verniers, micrometers, etc.
2. Addition and subtraction of fractions
3. Addition and subtraction of decimals
4. Blueprint reading:
  - a. Line conventions - visible lines, hidden lines, center lines, etc.
  - b. Multi-view drawings - front, top and side views
  - c. Weld symbols
  - d. Engineering parts list
5. Convert U.S. customary to metric and metric to U.S. customary.

6. Understanding the use of torque wrenches and other inspection equipment related to product and process verification.

**STAGE NO. 2** Employees satisfying the minimum requirements of Stage 1 will then be eligible to continue Stage 2 of this program, up to twenty (20) hours.

**B. CLASSROOM INSTRUCTION**

1. Basic sampling techniques and SPC charting
2. Basic use of Case information systems

**STAGE NO. 3** Manual instructions up to twenty (20) hours. Practical application of the above training on the shop floor.

- B. Additional information may be obtained through self-study from a manual prepared by the Quality Department and the joint training committee.
- C. Coaching and teaching is available by appointment with the appropriate Quality Engineer.
- D. Should no quality openings exist upon completion of Stage 3 of the training program, those employees having satisfactorily completed Stage 3 will return to their former classifications, at the rate of such classifications, until an opening is available. When a quality opening becomes available, it will be filled per Article IX, Section 9.

By mutual agreement the above items may be modified to reflect technological changes.

# LETTER OF UNDERSTANDING

## **Re: Qualification Standards for Quality Specialist and Layout Specialist**

It is the Company's responsibility to evaluate the employee's skill and ability and provide constructive guidance so employee will be qualified for promotion.

The Company will evaluate the employees in the above-referenced classifications, as described below, and may promote them at any time the employee is qualified to meet the performance standards of the next higher classification.

### **A. Qualification Standards**

1. All openings within the Quality Department for Quality Specialist will be filled by an addition to the Quality Specialist (B) classification.
2. Individual must meet the basic entrance requirements for the Quality Department.

### **B. Advancement from Quality Specialist (B) to Quality Specialist (A) will be made when the individual has completed the following requirements:**

1. Performed satisfactorily in the Quality Specialist (B) classification as determined by performance on the supervisor's evaluation.
2. Able to perform inspection problems covered in the Quality Handbook.
3. Able to perform satisfactorily in all of the work areas of the plant.
4. Employee must meet the requirements as indicated in the job description.

### **C. Advancement to Layout Specialist (B) will be made as follows:**

1. Total number to be established on the basis of need as determined by the Company.
  2. To advance to Layout Specialist (B) classification, the Quality Specialist must meet all the requirements necessary to be a Quality Specialist (A), plus the employee must meet the requirements as indicated in the job description of the Layout Specialist.
  3. Senior specialists in the Quality Specialist (A) classification expressing the desire to advance into the (B) Layout Specialist classification will be given first choice to advance.
  4. Should the need arise, the junior employee in the Quality Specialist (A) classification meeting the above requirements will be required to fill the opening.
- D. Advancement from Layout Specialist (B) classification to Layout Specialist (A) classification will be made as follows:
1. Has performed outstanding in the Layout Specialist (B) classification as determined by performance on the supervisor's evaluation.
  2. Has the ability to perform layout inspection using all inspection equipment.
  3. Has the ability to perform layout inspection on all layout templates, fixtures, check gauges, and parts.
  4. Coordinate measuring machine computer capability.
    - a. Understand basic system on all machines
    - b. Capable of programming all of the machines
    - c. Capable of using and understanding SPC package
- E. In time of reductions, a Layout Specialist replaces the junior Quality Specialist in the Quality Department.



# LETTER OF UNDERSTANDING

## Re: Weld Training & Qualification

It is the Company's responsibility to provide training and evaluate the employee's skill and ability, to assure that our products achieve and maintain an acceptable quality standard in accordance with industry standards. Training and qualification will be paid at a labor grade 7, schedule A rate of pay.

### A. Training

1. Individuals currently performing production welding operations must be qualified. Non-qualified individuals who become candidates for welding positions must complete the three phases of welder qualification training and testing within sixty calendar days from assignment into a welding classification.
2. Phase I (approximately 16 hours of classroom training) Classroom training will be provided to each employee being transitioned into a welding classification as a result of layoff, recall or promotion.

Phase I training consists of the following:

- a) Welding symbols and print reading.
- b) Safety considerations for welding.
- c) Welding principles and fundamentals.
- d) Welding quality standards.
- e) Welder qualification requirements.

A score of 60% or better is required on each of the three written tests administered during the classroom training. Any welder that fails to achieve a score of 60% on a written test will be given one opportunity to retake a similar (but not identical) test. Upon failing the retest, the welder shall be denied assignment, reduced from the classification and restricted from future openings.

Completed tests associated with the classroom training are maintained by the Weld Training Administrator for a minimum of six months.

3. Phase II (up to 24 hours of basic practical training). Upon successful completion of Phase I training, Practical training will be provided. Phase II training is comprised of individual lab projects which are designed to develop the hands-on individual skills necessary to successfully complete the required workmanship sample and bend tests (Phase III). Employees who feel that they possess the skills to meet the requirements of Phase II without Phase II training may request to bypass this step and move straight to Phase III.

Extended practical training (not to exceed 16 hours) will be provided at the Instructors discretion to all employees who do not feel comfortable in their ability to pass the physical qualification tests after Phase II has been completed. This will consist of additional hands-on sample welding and customized tutoring to address individual needs where appropriate.

#### B. Welder Qualification

1. Phase III (Welder Qualification) Upon completion of Phase II training, welder qualification testing shall be performed. This testing shall consist of a combination of workmanship samples and/or bend tests depending on the processes to be utilized on the job. Far vision acuity results of 20/40 or better as well as near vision of Snellen English or equivalent at 12 inches (both with or without corrective (enses) will be required.

A workmanship sample consists of welding a simple part from a dimensioned drawing that incorporates the same welding processes and types of weld joint configurations that the welder is likely to encounter in their welding classification.

A bend test consists of welding a vee groove joint on steel plates.

2. Any welder who fails to meet the minimum acceptance criteria on a test has the following two options. Failure of the vision requirements disqualifies the welder from welding until corrective action is taken and the vision test is passed.

a) The welder may elect to take an immediate retest without additional training. In the case of a workmanship sample failure, the retest will consist of welding a similar (but not identical) sample. In the case of a bend test failure, the retest consists of two welds of each type failed, where both samples must meet the minimum acceptance criteria. The retest must be completed within ten (10) working days of notification of failure. If the minimum acceptance criteria are not met by the retest, the welder shall be denied assignment, reduced from the classification and restricted from future openings.

b) If the welder chooses to receive additional training before attempting the retest, he/she is placed on probation and reverts back to Phase II where additional training is performed. The amount of additional training will be determined by an agreement between the welder and the instructor but shall not exceed the time limits set in Phase II. During the probation period the welder will be allowed to remain on the job, under a weld quality sampling plan (See section C). Once the requirements of Phase II are repeated, the welder is allowed one retest for each type failed. If the minimum acceptance criteria are not met by any retest, the welder shall be denied assignment, reduced from the classification and restricted from future openings.

3. Upon successfully meeting the minimum requirements of training and qualification, each welder or welding operator will be awarded a Case Burlington Welder's certification card.

4. If a welder or welding operator makes a lateral move or re-assignment to a job requiring a process for which he/she is not actively qualified, the appropriate physical qualification test(s) shall be administered as a part of the job training period.

#### C. Weld Quality Sample Plan

A weld quality sampling plan when applicable, will consist of quality sampling by supervision, quality and/or welding engineering. The review consists of a variety of characteristics pertinent to weld quality and weld process consistency and will be documented with a copy to the employee. Obtaining an average score of 3.0 or greater on the quality section (II.2) of a weld quality sample disqualifies the welder from welding until qualification status is reinstated.

Completed Weld Quality Sample Plan will be maintained by the Weld Training Administrator for a minimum of six months.

#### D. Requalification

1. Qualification status shall remain in effect for:
  - a) Six (6) months, if the process is not used.
  - b) Three (3) years, at which time requalification tests are required.
  - c) Until such time that there is a specific quality reason requiring retesting.
2. Upon expiration of a welder's current qualification, the following will be required to reinstate the qualification status:
  - a) A combination of workmanship samples and/or bend tests depending on the processes to be utilized on the job.
  - b) Far vision acuity results of 20/40 or better (with or without corrective lenses).
  - c) Near vision of Snellen English or equivalent at 12 inches (with or without corrective lenses).

Any welder who fails to meet the minimum acceptance criteria on a test has the same two options for retesting as the initial qualification

procedure outlined in section B.1 above.

Failure of the vision requirements disqualifies the welder from welding until corrective action is taken and the vision test is passed.

Upon revocation of a welder's current qualification due to specific quality problems, the welder is placed on probation and reverts back to Phase II where

additional training is performed. The amount of additional training will be determined by an agreement between the welder and the instructor but shall not exceed the time limits set in Phase II. During the probation period the welder will be allowed to remain on the job, under a weld quality sampling plan (See section C). Once the requirements of Phase II are repeated, the guidelines for standard requalification (outlined in section D.2 above) will be required to reinstate the qualification status.

## LETTER OF UNDERSTANDING

### Re: Assemble Floaters

1. Floaters will be offered job assignments on a seniority basis by zones within their department.
2. If no opening exists in the department/zone at the start of the shift, the floater may be assigned to any work in the assembly unit.
3. At the start of the shift, no Day-Rate (Formerly Schedule A) employees will be assigned Incentive (Formerly Schedule B) work in the zone before the floater in the zone is assigned.
4. It has been agreed upon that the Assemble Float classification will not be used to displace the classified employees on a reduction or indefinite layoff.
5. It is the intention to train floaters in the zone on jobs that they are assigned to, before being assigned to other zones.
6. Entrance into the Assemble Float classification will be to Assemble Float B. When a floater learns all the jobs in two or more zones, he/she will be reclassified to Assemble Float A.
7. Upon ratification of this agreement, the Unit Manager, Supervisors, Committee Persons, and Stewards will jointly review the assemble unit zones.

# LETTER OF UNDERSTANDING

## Re: Temporary Lateral Moves

It is understood that in the temporary absence of employees for continuous periods of time the area Committee Person and the Unit Manager may agree to allow senior employees one temporary lateral move to fill a classification vacancy where a temporary posting or temporary assignment is applicable.

# LETTER OF UNDERSTANDING

## Re: Joint Training Committee

- A. The Joint Training committee is established to oversee training activities pursuant to the provisions of the local agreement. The intent of the training is to allow any eligible employee in accordance with their ability to obtain the training necessary to attain the highest level of skill and pay that he/she desires.
- B. The Joint Training Committee will consist of the Chairman of the Bargaining Committee/President, the area Committee Person, Steward, and (3) three Company representatives. The committee shall meet as necessary or as requested by either party to perform its duties.
- C. Any questions, complaints, or disagreements regarding the evaluation of skills or the training at any level may be reviewed by the Joint Committee and answered by them before a complaint is moved to the grievance procedure as policy grievances. Complaints must be in written form and signed by the affected employee(s).

Matters to be referred to the Joint Committee may be the following:

- 1. Evaluation or verification of skills
- 2. Training priorities

3. Scheduling
4. Formal training requirements and/or off-site training
5. Training not being accomplished
6. Suggestions pertaining to the training needs of an employee or group of employees, if it deems necessary
7. Recommendations for improvements to the training program generally should be forwarded to Human Resources Department for action and disposition.

## **LETTER OF UNDERSTANDING**

### **Re: Weekly Safety Meeting**

Each supervisor will hold a safety meeting each week with their employees. The Company recognizes that it may be desirable to hold these at the start of the shift each Monday. However, it further recognizes that this is not always possible, but will endeavor to speak to each employee in attendance each week about safety.

## **LETTER OF UNDERSTANDING**

### **Re: Safety Problem Procedure**

In review of the past practice, it is to the benefit of both parties to assure that safety problems are reviewed and acted upon in a timely manner. It is also understood that both parties agree safety problems should be reviewed with the appropriate supervisor prior to submission to the Joint Safety Committee.

Safety problems may be submitted to the Joint Safety Committee in the form of complaints. If the problem is resolved to the satisfaction of the Joint Safety Committee, it will be considered settled. Safety complaints which are not resolved by the Joint Safety Committee in

a timely manner will be processed as policy grievances at the next third step grievance meeting.

## **LETTER OF UNDERSTANDING**

### **Re: Lockout Procedure**

In the interest of safety, the Company and the Union subscribe to the Burlington Plant Equipment Lockout Program and request that all employees have a responsibility to support this program.

## **LETTER OF UNDERSTANDING**

### **Re: Designated Break Periods**

The Burlington Plant has recognized two (2) breaks per shift in the past and will continue to do so with this agreement.

## **LETTER OF UNDERSTANDING**

### **Re: Resource Pool / Temporary Vacancy / New Hire Guidelines**

#### **I. Job Assignments**

##### **A. Traditional**

##### **1. Temporary for less than 30 days**

- a. First opening filled by temporary assignment of most senior employee with recall rights to the classification.**





3. Assignment for project duration

II. Seniority

- A. No shift preference - CASE Program IV, B (2) page 159
- B. Overtime - in accordance with settlement of Grievance #192976: "It is agreed upon by the parties that in the future, Resource Pool employees temporarily assigned to a classification may be asked to work overtime after all employees in the classification, in the department of the shift, in the overtime unit have been offered." (August 6, 1992, Pre-Arbitration Meeting)

III. Union Representation

- A. Resource Pool included in a steward district
- B. Resource Pool included in a committeeman district
- C. Representation by area of work assignment

## LETTER OF UNDERSTANDING

Re: Additional Overtime

The Company and Union agree to implement the following overtime provisions on a trial basis. During the trial period the parties will review the process to evaluate effectiveness and further agree to discuss and modify the process by mutual agreement.

- 1. Additional Overtime Sign Up in June This will cover a six (6) month period beginning the first full work week in July and will expire the last work week in December.
- 2. Additional Overtime Sign Up in December This will cover a six (6) month period beginning the first full work week in January and will expire the last work week in June.

The Company and Union will develop and mutually agreed upon Additional Overtime Zones. The employees that signed up in a particular Additional Overtime Zone will be arranged within the Zone in alphabetical order.

Any additional overtime hours offered will be on a rotating basis based on like skills. An employee commits to work all the overtime offered in a one week period (Monday through Sunday). The Business Unit Managers and corresponding Union committeemen will have joint responsibility for maintaining and tracking the Additional Overtime List. The following rules will apply to maintaining the Additional Overtime List:

1. When an employee accepts the additional overtime hours, those hours are recorded and adjusted out from normal overtime hours offered. There is no cap on additional overtime hours worked within an Overtime Zone.
2. If an employee accepts the additional overtime hours, but fails to report for those overtime hours on two (2) occurrences he/she will be removed from the Additional Overtime List.
3. If an employee accepts the additional overtime assignment, but leaves early and does not fulfill his/her obligation for that day he/she will receive one strike. If this occurs three (3) times the employee will be removed from the Additional Overtime List.
4. When an employee signs up on the Additional Overtime List and declines the additional offered overtime three (3) times he/she will be removed from the Additional Overtime List.
5. If an employee is by-passed for additional overtime hours three (3) times within his/her class due to lack of skills, the Company will consider training that employee to allow for more opportunity to work additional overtime hours.
6. (Out Of Zone) If additional overtime hours are needed in a Zone and there are no employees available for the

additional overtime hours, than the Company may utilize employees that are listed in another Overtime Zone.

- a. If an employee accepts an Out Of Zone additional overtime assignment the employee will rotate down on the list in their respective Additional Overtime Zone List.
- b. Out Of Zone overtime hours will be capped at 50 hours for participating employees.

## **LETTER OF UNDERSTANDING**

### **Re: Overtime Eligibility In Conjunction with PAA and/or Vacation**

The following policy is to be followed when determining overtime eligibility in conjunction with paid absence allowance and/or vacation.

#### **A. DAILY OVERTIME:**

An employee absent the entire shift due to vacation and/or paid absence allowance is not eligible for daily overtime.

An employee absent for four (4) hours due to vacation or paid absence allowance may only be eligible for daily overtime that is worked consecutively with their regularly scheduled shift hours for that day.

#### **B. WEEKEND OVERTIME:**

An employee absent from work the entire work week or the last half of the work week, when overtime is normally scheduled, is not eligible to work overtime scheduled for Saturday or Sunday.

An employee, absent as above, may take the initiative to contact his or her supervisor regarding weekend overtime. In those instances where work is available and the employee and

supervisor agree to the scheduling of weekend overtime, the employee will be allowed to work.

## **LETTER OF UNDERSTANDING**

### **Re: Vacation**

The Company and Union agree to the following procedure effective January 16, 1996:

As a general rule, vacation application will have precedence over PAA days on a priority basis as listed and in accordance with Article XII, Section 2, Paragraph A of our Agreement.

1. Employees desiring to "lock in" vacation will apply four (4) calendar weeks prior to the date the vacation week(s) is/are to begin. The most senior employee(s) who have an application on file on that day will be awarded the requested vacation week(s).
2. Vacation applications submitted less than four (4) calendar weeks and at least one (1) calendar week prior to the week(s) requested will be awarded on a seniority basis.
3. Vacation applications submitted less than one (1) calendar week prior to the week(s) requested will be awarded on a first to apply basis.

## **LETTER OF UNDERSTANDING**

### **Re: Premium Pay Time**

When you work employees on a holiday, this is not overtime. Overtime is in excess of eight (8) hours per day and Saturday and Sunday. Work on a holiday is considered premium pay time.

When asking employees to work, you must remember both, or all three shifts, and ask the senior employees in the classification able

to do the work. There are some differences to this. Multiple level classifications should be looked at as one classification and if the senior employee is qualified to perform the work, than he/she should be allowed to work the premium pay time.

## **LETTER OF UNDERSTANDING**

### **Re: Temporary Assignment**

At the beginning of the shift and with all things being equal, the senior employee should stay working in his/her classification and the junior employee should be temporarily assigned out.

## **LETTER OF UNDERSTANDING**

### **Re: Shift Schedules**

During the 1998 contract negotiations the Company and Union discussed the need and/or desire to alter shift schedules which deviate from the Central Language. Article XI, Section 3 will be by mutual agreement.

## **ARTICLE XV**

## **TERMINATION**

This Agreement (including both Central and Local understandings) shall continue in full force and effect through May 2, 2004, and thereafter from year to year unless sixty (60) days prior to such date either party gives notice in writing of a desire to terminate this Agreement).

**INTERNATIONAL UNION,  
UNITED AUTOMOBILE,  
AEROSPACE AND  
AGRICULTURAL IMPLEMENT**

## **WORKERS OF AMERICA**

### **LOCAL 807 CORPORATION**

By: W. Basquin  
M. Schramm  
S. Suttiff  
J. Pilger  
R. Schnadler  
R. Breuer  
D. Myers  
J. Cox  
T. Dailey  
J. Nebergall  
T. Wallace

### **CASE**

By: R. Hamrick  
T.R. Wallace  
D. Rickels  
L. King  
J. Cornish

# BURLINGTON

## HOURLY JOB CLASSIFICATIONS

### DAY-RATE

(FORMERLY, SCHEDULE A)

N = Non-Select

S = Select

Classification  
Number

Job Classification

Labor  
Grade

004-S36	Assembly, Utility, Crawler	7
004-S37	Assembly, Crawler (Direct)	7
027-N09	Blast (Direct)	9
090-S07	Crane Operator, Overhead and Mobile	7
111-S08	Die, Check, Clean, Store	8
192-N19	Help, General, Maintenance	9
210-N10	Janitor	10
229-S03	Layout Specialist A	3
229-S04	Layout Specialist B	4
264-007	Cycle Count	7
265-N28	Material Support	8
265-S27	Material Specialist	7
297-N18	Lubricator, Maintenance	8
303-N58	Pack, Cylinders	8
306-S07	Paint, Crawler (Direct)	7
306-S15	Paint, Technician A	5
306-S16	Paint, Technician B	6
306-S17	Paint, Technician C	7
306-S27	Paint, Utility	7
306-S37	Paint Repair, Finished Units	7
368-S04	Quality Specialist A	4
368-S05	Quality Specialist B	5
369-S26	Repair and Modify A	6
369-S07	Repair and Modify B	7
369-S08	Repair and Modify C	8
381-S16	Salvage and Repair, Hydraulic Parts	6
405-S45	Set Up, Machine Shop A	5
405-S26	Set Up, Machine Shop B	6
405-S17	Set-Up, Machine Shop C	7
405-S55	Set Up, Welding A	5



405-S36	Set Up, Welding B	6
405-S27	Set Up, Welding C	7
438-S18	Spray Paint	8
510-N18	Transport, Forktruck	8
510-S17	Transport, Truck Drive, Licensed	7
537-S16	Weld, Utility	6
887-016	Coolant Specialist	6

## BURLINGTON HOURLY JOB CLASSIFICATIONS INCENTIVE (FORMERLY, SCHEDULE B)

N = Non-Select

S = Select

<u>Classification Number</u>	<u>Job Classification</u>	<u>Labor Grade</u>
003-S18	Assemble	8
003-S27	Assemble, Float, A	7
003-S28	Assemble, Float, B	8
003-S97	Assemble, Mach. Operator, Floater, Cylinders	7
021-S07	Bend, Machine	7
027-N19	Blast, Abrasive Machine	9
030-S07	Bore	7
056-S08	Chamfer, Assemble, Flare (MHC)	8
056-N09	Chamfer, Form & Flare	9
066-N19	Clean, Paint, Mask and Unmask	9
066-N09	Clean, Wash, Apply Protection	9
066-N29	Clean, Weldments	9
129-S08	Drill, Multiple, Radial, Bore	8
179-N09	Hang, and Unhang	9
192-N09	Help, Production	9
231-S67	Lathe, Bore, Face, CNC	7
255-S07	Machine Group, Cylinder Lines	7
255-S17	Machine Group, Cell, Fabrication	7
256-S16	Machining Center, N/C	6
340-S18	Prepare, Prime Parts	8

342-N09	Press, Assemble or Straighten	9
363-S17	Ream and Roller Burnish, Mach., Auto. Hor.	7
369-S17	Repair, Utility Line	7
387-S18	Saw, CNC	8
402-S07	Service, Finished Units	7
429-N08	Solder	8
436-S08	Spray Paint	8
486-N58	Test, Pressure, Cyl. Weldments for Porosity	8
519-N39	Unload and Load, Paint Line	9
537-N08	Weld, Automatic, Spot, Stud	8
537-S07	Weld, Production	7
537-S56	Weld, Programmable Arc, Automatic	8
537-S47	Weld, Rod	7
537-S66	Weld, Float	6

## BURLINGTON HOURLY JOB CLASSIFICATIONS SKILLED TRADES (FORMERLY, SCHEDULE C)

S = Select

<u>Classification Number</u>	<u>Job Classification</u>	<u>Labo Grade</u>
003-S05	Assemble, Layout, Experimental	Max. 5
003-S16	Assemble, Layout, Experimental	Min. 6
003-S07	Assemble, Layout, Experimental	Entry 7
135-S03	Electrical, Maintenance	Max. 3
135-S04	Electrical, Maintenance	Min. 4
135-S05	Electrical, Maintenance	Entry 5
174-S05	Grind, Cutter and Tool	Max. 5
174-S06	Grind, Cutter and Tool	Min. 6
174-S27	Grind, Cutter and Tool	Entry 7
188-S03	Heating Plant, Engineer	Max. 3
188-S04	Heating Plant, Engineer	Min. 4
188-S05	Heating Plant, Engineer	Entry 5
197-S04	Industrial Truck Repair	Max. 4
197-S05	Industrial Truck Repair	Min. 5
197-S06	Industrial Truck Repair	Entry 6

258-S03	Machine Repairer	Max.	3
258-S04	Machine Repairer	Min.	4
258-S05	Machine Repairer	Entry	5
261-S04	Machinist, Tool Machine Operator, All Around	Max.	4
261-S05	Machinist, Tool Machine Operator, All Around	Min.	5
261-S06	Machinist, Tool Machine Operator, All Around	Entry	6
276-S04	Mechanical Maintenance Millwright	Max.	4
276-S05	Mechanical Maintenance Millwright	Min.	5
276-S06	Mechanical Maintenance Millwright	Entry	6
279-S04	Metalwork, Experimental, and/or Development	Max.	4
279-S05	Metalwork, Experimental, and/or Development	Min.	5
279-S06	Metalwork, Experimental, and/or Development	Entry	6
321-S03	Pipe and Steamfit	Max.	3
321-S04	Pipe and Steamfit	Min.	4
321-S05	Pipe and Steamfit	Entry	5
498-S03	Tool and Die, Make	Max.	3
498-S04	Tool and Die, Make	Min.	4
498-S05	Tool and Die, Make	Entry	5
499-S04	Tool Hardener	Max.	4
499-S05	Tool Hardener	Min.	5
499-S06	Tool Hardener	Entry	6
537-S04	Weld, Industrial, Maintenance	Max.	4
537-S05	Weld, Industrial, Maintenance	Min.	5
37-S06	Weld, Industrial, Maintenance	Entry	6
37-S14	Weld, Industrial, Experimental	Max.	4
37-S15	Weld, Industrial, Experimental	Min.	5
37-S26	Weld, Industrial, Experimental	Entry	6

## Wage Schedule - 1

Employees hired before March 30, 1988

(Accumulated COLA not included in schedule, accumulated and future COLA will be paid as an adder)

Entry			After 6 Months		After 12 Months		After 18 Months	
Labor Grade	Non CCICS / Indirect	CCICS Rate	Non CCICS / Indirect	CCICS Rate	Non CCICS / Indirect	CCICS Rate	Non CCICS / Indirect	CCICS Rate
Schedule A *								
8	\$ 10.79	\$ 10.85	\$ 11.58	\$ 11.73	\$ 12.33	\$ 12.51	\$ 13.10	\$ 13.29
8	\$ 11.03	\$ 11.20	\$ 11.82	\$ 12.00	\$ 12.81	\$ 12.80	\$ 13.40	\$ 13.60
7	\$ 11.20	\$ 11.42	\$ 12.08	\$ 12.24	\$ 12.85	\$ 13.08	\$ 13.67	\$ 13.87
6	\$ 11.51	\$ 11.66	\$ 12.33	\$ 12.57	\$ 13.15	\$ 13.35	\$ 13.97	\$ 14.18
5	\$ 11.77	\$ 11.95	\$ 12.67	\$ 12.80	\$ 13.46	\$ 13.88	\$ 14.30	\$ 14.51
4	\$ 12.04	\$ 12.22	\$ 12.90	\$ 13.08	\$ 13.78	\$ 13.97	\$ 14.82	\$ 14.94
3	\$ 12.38	\$ 12.54	\$ 13.24	\$ 13.44	\$ 14.12	\$ 14.55	\$ 15.00	\$ 15.23
Schedule B *								
Labor Grade	Non CCICS / SHP	CCICS Rate	Non CCICS / SHP	CCICS Rate	Non CCICS / SHP	CCICS Rate	Non CCICS / SHP	CCICS Rate
8	\$ 10.25	\$ 11.78	\$ 10.94	\$ 12.63	\$ 11.71	\$ 13.47	\$ 12.44	\$ 14.31
8	\$ 10.48	\$ 12.05	\$ 11.23	\$ 12.81	\$ 11.96	\$ 13.77	\$ 12.72	\$ 14.63
7	\$ 10.78	\$ 12.30	\$ 11.48	\$ 13.18	\$ 12.22	\$ 14.00	\$ 13.09	\$ 14.84
6	\$ 10.93	\$ 12.57	\$ 11.72	\$ 13.47	\$ 12.50	\$ 14.37	\$ 13.28	\$ 15.27
5	\$ 11.10	\$ 12.60	\$ 11.98	\$ 13.78	\$ 12.78	\$ 14.70	\$ 13.58	\$ 15.62
Schedule C *								
Labor Grade	Non CCICS	CCICS Rate						
6	\$ 17.48	\$ 17.44						
7	\$ 17.71	\$ 17.71						
8	\$ 18.01	\$ 18.01						
5	\$ 18.34	\$ 18.34						
4	\$ 18.71	\$ 18.71						
3	\$ 19.07	\$ 19.07						

\* When in a CCICS application, the CCICS Base Rate shall be determined by dividing the appropriate CCICS Rate above by 1.15.

After 24 Months		After 30 Months		After 36 Months		
Non CCICB / Indirect	CCICB Rate	Non CCICB / Indirect	CCICB Rate	Non CCICB / Indirect	CCICB Base Rate	CCICB Rate
\$ 13.67	\$ 14.08	\$ 14.84	\$ 14.88	\$ 15.41	\$ 15.80	\$ 16.64
\$ 14.18	\$ 14.40	\$ 14.87	\$ 15.20	\$ 16.78	\$ 15.91	\$ 16.00
\$ 14.47	\$ 14.69	\$ 15.28	\$ 15.51	\$ 16.05	\$ 14.19	\$ 16.32
\$ 14.80	\$ 15.02	\$ 15.82	\$ 15.85	\$ 16.44	\$ 14.51	\$ 16.69
\$ 15.14	\$ 15.37	\$ 15.98	\$ 16.22	\$ 16.82	\$ 14.86	\$ 17.07
\$ 15.48	\$ 15.71	\$ 16.34	\$ 16.56	\$ 17.20	\$ 15.18	\$ 17.45
\$ 15.89	\$ 16.12	\$ 16.77	\$ 17.02	\$ 17.66	\$ 15.68	\$ 17.91
Non CCICB / SHP	CCICB Rate	Non CCICB / SHP	CCICB Rate	Non CCICB / SHP	CCICB Base Rate	CCICB Rate
\$ 13.18	\$ 15.15	\$ 13.91	\$ 15.98	\$ 14.84	\$ 14.64	\$ 16.64
\$ 13.47	\$ 15.49	\$ 14.22	\$ 16.35	\$ 14.97	\$ 14.97	\$ 17.22
\$ 13.75	\$ 15.81	\$ 14.52	\$ 16.69	\$ 15.28	\$ 15.28	\$ 17.57
\$ 14.06	\$ 16.17	\$ 14.84	\$ 17.08	\$ 15.62	\$ 15.62	\$ 17.98
\$ 14.36	\$ 16.54	\$ 15.18	\$ 17.48	\$ 15.96	\$ 15.96	\$ 18.38
				Non CCICB	CCICB Base Rate	CCICB Rate
				\$ 17.48	\$ 16.18	\$ 17.48
				\$ 17.71	\$ 16.40	\$ 17.71
				\$ 18.01	\$ 16.68	\$ 18.01
				\$ 18.34	\$ 16.95	\$ 18.34
				\$ 18.71	\$ 17.27	\$ 18.71
				\$ 19.07	\$ 17.58	\$ 19.07

## Wage Schedule - 2

Employees hired on or after March 30, 1998

(Accumulated COLA is not included in schedule, all accumulated and future COLA will be paid as an adder)

Labor Grade	Entry			After 12 Months			After 24 Months		
	Day Rate	Direct - Non CCICS	CCICS Rate	Day Rate	Direct - Non CCICS	CCICS Rate	Day Rate	Direct - Non CCICS	CCICS Rate
<b>Non Skilled Trades Schedule</b>									
6	\$10.70	\$11.02	\$11.70	\$11.71	\$11.98	\$12.80	\$12.64	\$12.91	\$13.81
8	\$11.03	\$11.28	\$12.05	\$11.98	\$12.23	\$13.08	\$12.92	\$13.20	\$14.12
7	\$11.26	\$11.50	\$12.30	\$12.22	\$12.48	\$13.35	\$13.18	\$13.47	\$14.41
8	\$11.51	\$11.75	\$12.57	\$12.48	\$12.78	\$13.65	\$13.48	\$13.77	\$14.73
8	\$11.77	\$12.02	\$12.88	\$12.78	\$13.08	\$13.87	\$13.79	\$14.09	\$15.07
4	\$12.04	\$12.31	\$13.17	\$13.07	\$13.37	\$14.30	\$14.10	\$14.42	\$15.43
3	\$12.30	\$12.57	\$13.45	\$13.41	\$13.65	\$14.60	\$14.47	\$14.73	\$15.76
<b>Skilled Trades Schedule*</b>									
Labor Grade	Non CCICS	CCICS Base Rate	CCICS Rate						
8	\$ 17.48	\$ 15.18	\$ 17.48						
7	\$ 17.71	\$ 15.40	\$ 17.71						
6	\$ 18.01	\$ 15.66	\$ 18.01						
5	\$ 18.34	\$ 15.95	\$ 18.34						
4	\$ 18.71	\$ 16.27	\$ 18.71						
3	\$ 19.07	\$ 16.58	\$ 19.07						

CCICS Base Rate is determined by dividing the CCICS Rate by 1.15

After 24 Months			After 48 Months			After 60 Months		
Day Rate	Direct - Non OCICS	OCICS Rate	Day Rate	Direct - Non OCICS	OCICS Rate	Day Rate	Direct - Non OCICS	OCICS Rate
\$13.56	\$13.65	\$14.62	\$14.49	\$14.79	\$15.83	\$15.41	\$15.74	\$16.84
\$13.87	\$14.16	\$15.15	\$14.81	\$15.13	\$16.16	\$15.78	\$16.06	\$17.22
\$14.15	\$14.45	\$15.48	\$15.12	\$15.44	\$16.52	\$16.08	\$16.43	\$17.57
\$14.47	\$14.76	\$15.81	\$15.45	\$15.78	\$16.86	\$16.44	\$16.76	\$17.98
\$14.80	\$15.12	\$16.17	\$15.81	\$16.15	\$17.27	\$16.82	\$17.15	\$18.38
\$15.14	\$15.48	\$16.56	\$16.17	\$16.53	\$17.69	\$17.20	\$17.58	\$18.81
\$15.53	\$15.81	\$16.91	\$16.59	\$16.88	\$18.06	\$17.65	\$17.96	\$19.22
						Non OCICS	OCICS Base Rate	OCICS Rate
						\$ 17.48	\$ 15.18	\$ 17.48
						\$ 17.71	\$ 15.40	\$ 17.71
						\$ 18.01	\$ 15.68	\$ 18.01
						\$ 18.34	\$ 15.95	\$ 18.34
						\$ 18.71	\$ 16.27	\$ 18.71
						\$ 19.07	\$ 16.58	\$ 19.07

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